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JAPAN

Cultural Talks Reopen in Moscow 17 January	C 1
Further Reportage on Shevardnadze's Tokyo Visit	C 1
Trade, Tax, Cultural Pacts Signed	C 1
Meets 80 Minutes With Nakasone	C 2
Leaders Exchange Visits Proposed	C 2
Shevardnadze Press Conference	C 3
Agree To Reopen Peace Talks	C 3
Shevardnadze Departs for DPRK	C 4
Abe Calls Talks With Shevardnadze 'Success'	C 4
Opposition Parties Hail USSR Joint Communiqué	C 5
Nakasone Sees 'Step Forward' in Territorial Claim	C 5
Government Determined To Settle Island Issue	C 6

NORTH KOREA

MAC Meeting 'Demanded' of U.S. for 23 January	D 1
Phone Message to U.S. Official	D 1
'Team Spirit-86' 'Viciously Challenging' Peace	D 2
Dialogue Delegations Statement	D 3
Yi Song-nok Telephone Message	D 6
Shevardnadze Arrives on Official Goodwill Visit	D 6
KCNA Reports Arrival	D 6
Further on Arrival	D 7
Meets Kim Yong-nam	D 8
Holds Talks With Kim Yong-nam	D 8
Visits Cemetery of Martyrs	D 9
Banquet Held	D 9
Kim Yong-nam Banquet Speech	D 10
Shevardnadze Banquet Speech	D 13
Meeting With Kim Il-song, Son	D 16

SOUTH KOREA

'Team Spirit' To Be Shorter; To Begin 10 February	E 1
Not To Affect Ongoing N-S Talks	E 1
N-S Talks Delegation Heads Issue Statement	E 1
'Excerpts' of Chon's New Year Policy Statement	E 4
[THE KOREA HERALD 17 Jan]	
THE KOREA HERALD on Statement [17 Jan]	E 12
NKDP Discontent With Statement	E 13
[THE KOREA HERALD 17 Jan]	
DJP To Adhere to Statement	E 14

LAOS

Phoun Sipaseut Meets U.S. Congressional Group	I 1
Indochinese Foreign Ministers To Meet 'Soon'	I 1
Planning Cooperation Accord With USSR Signed	I 1
Hungarian Government Delegation Departs	I 1

VIETNAM

U.S. Congressional Delegation Ends Visit	K 1
Indochinese Foreign Ministers To Meet in Laos	K 1
Foreign Ministry Rejects Thai Sea Areas Claims	K 1
VNA Reports SPK Condemnation of 'Cobra Gold'	K 1
'Rampant Inflation' Leads To Renewed Rationing [AFP]	K 2
Indochinese Banking Conference Opens in Hanoi	K 3
Pham Van Dong Meets Officials	K 3
Conference Closes	K 3
Le Duan Greets World Scientific Activists	K 4
Specialists Exchange Protocol With USSR Signed	K 4

AUSTRALASIA

AUSTRALIA

Cabinet Decides Against Imposing Sanctions on Libya	M 1
Opposition Raps Decision	M 2

NEW ZEALAND

Cabinet Decides Not To Impose Sanctions on Libya [AFP]	M 2
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PHILIPPINES

Marcos Continues Campaign in Mindoro, Bohol	P 1
Calapan Speech	P 1
San Jose Speech	P 5
Report on Tagbilaran Rally	P 12
PEBC on Rally, Laurel Remarks	P 13
Marcos Issues Orders for Bohol	P 13
Marcos Plane in Near Miss; Health Still at Issue [AFP]	P 14
Denies Health Deteriorating [AFP]	P 14
Marcos Refuses To Set Ver's Retirement Date [AFP]	P 15
Editorial Urges Ver's Retention [TIMES JOURNAL 20 Jan]	P 16
Columnist Criticizes Move To Oust U.S. Envoy	P 17
[PHILIPPINES DAILY EXPRESS 17 Jan]	

CULTURAL TALKS REOPEN IN MOSCOW 17 JANUARY

OW171303 Tokyo KYODO in English 1245 GMT 17 Jan 86

[Text] Tokoyo, Jan 17 KYODO -- Japanese and Soviet officials Friday reopened talks in Moscow on a proposed cultural pact between the two countries, a Foreign Ministry official said. The Soviet side has made a new proposal and is showing a positive attitude toward the negotiations, suspended for weeks.

The resumption of the Moscow talks came following rounds of talks in Tokyo between Soviet Foreign Minister Eduard Shevardnadze and his Japanese counterpart Shintaro Abe. Shevardnadze said in his talks with Abe Thursday that he would make efforts so that a cultural agreement could be signed when Abe visits Moscow later this year.

The Moscow talks were suspended after the Soviet Union reportedly refused to allow Japan to establish a cultural center in Moscow.

FURTHER REPORTAGE ON SHEVARDNADZE'S TOKYO VISIT

Trade, Tax, Cultural Facts Signed

OW180829 Tokyo KYODO in English 0822 GMT 18 Jan 86

[Text] Tokyo, Jan 18 KYODO -- Japan and the Soviet Union signed agreements Saturday on trade, avoidance of double taxation and cultural exchanges in a move to improve bilateral relations. The pacts were signed at the Iikura Guesthouse between Foreign Ministers Shintaro Abe and Eduard Shevardnadze, the latter now on an official visit to Japan.

Under the renewed trade agreement covering the period from this year to 1990, Tokyo and Moscow will extend government consultations on trade to those on overall trade and economic relations, including systematized talks on joint Siberian development and other projects.

The original trade pact was concluded in December 1957, a year after the two countries restored diplomatic relations, and it had been renewed nine times since then.

The two foreign ministers also signed a commerce pact on coastal trade between Japanese cities along the Japan Sea coast and in Hokkaido, and the Soviet Union's Far Eastern regions. The tax treaty was the sixth such agreement Japan has signed with a socialist country.

Abe and Shevardnadze also exchanged documents on an extension of the cultural exchange pact, and agreement which was originally signed in January 27, 1972 and has been renewed every two years.

The renewed cultural pact, to be effective until January 26, 1988, calls for a limited exchange of government publications and scholars, distribution of official public relations materials and holdings of film festivals.

Japan and the Soviet Union have shared an interest in expanding bilateral cultural ties by replacing the cultural exchange pact with a full-scale cultural agreement but have differed so far on various points. The two countries resumed talks on the cultural pact in Moscow Friday.

Meets 80 Minutes With Nakasone

OW180415 Tokyo KYODO in English 0402 GMT 18 Jan 86

[Text] Tokyo, Jan. 18 KYODO -- Japan and the Soviet Union agreed Saturday on an exchange of visits by Prime Minister Yasuhiro Nakasone and General Secretary Mikhail Gorbachev to promote relations marred for many years by a territorial dispute. Nakasone told visiting Soviet Foreign Minister Eduard Shevardnadze he will visit Moscow if the trip is a "meaningful" one. He extended an invitation to Gorbachev to visit Japan, saying, "It's your turn," since former Prime Minister Kakuei Tanaka made an official visit to Moscow in 1973.

The highest Soviet officials ever to come to Japan on official trips have been deputy premiers, including the late Anastas Mikoyan.

Shevardnadze, handing a Gorbachev letter to Nakasone, requested the Japanese leader to come to the Soviet Union at an early date, a Japanese official said.

Nakasone and Shevardnadze met for about 80 minutes and the official said the Soviet foreign minister, now on an official visit here, spent the first 50 minutes explaining the Kremlin's Japan policy, Gorbachev's latest disarmament proposal and his talks Wednesday through Friday with his Japanese counterpart Shintaro Abe.

Shevardnadze, showing unusual candor, related to Nakasone that he and Abe had "heated debate" on the Tokyo-Moscow dispute over four islands north of Japan, but said that a joint communique will form the basis of future Soviet-Japanese relations, according to the Japanese official. The foreign ministers reached basic agreement on the wording of the territorial question in a communique, projected to be issued Sunday, during Friday's emergency session to directly or indirectly refer to the "unresolved" territorial problem. The communique, on Shevardnadze's Japan trip and Japan-Soviet relations, will be "constructive and spell out mutual respect," a Foreign Ministry official quoted Shevardnadze as telling Nakasone through an interpreter.

Premier Nakasone hailed Shevardnadze's visit Wednesday through Sunday, the first by a Soviet foreign minister in a decade, as "realizing the Soviet resolve to further promote Japan-Soviet relations." He also went on to commend the Gorbachev leadership on being "broadminded and considerate to humanitarian causes." Nakasone did not elaborate on his commendations of the new Soviet leadership.

As in his consultations with Abe that lasted a total of over 12 hours, Shevardnadze called for increased dialogue between his country and Japan reiterated that the Soviets desire to conclude a long-term economic cooperation pact, Japanese officials said.

Leaders Exchange Visits Proposed

OW180253 Tokyo KYODO in English 0248 GMT 18 Jan 86

[Text] Tokyo, Jan. 18 KYODO -- Japan and the Soviet Union Saturday proposed an exchange of visits by their top leaders -- Prime Minister Yasuhiro Nakasone and party chief Mikhail Gorbachev. The invitations from both sides were extended in a meeting between Nakasone and visiting Soviet Foreign Minister Eduard Shevardnadze, officials said.

Shevardnadze Press Conference

OW190352 Tokyo NHK Television Network in Japanese 0300 GMT 19 Jan 86

[Text] Soviet Foreign Minister Shevardnadze held a press conference in Tokyo today, his first in any Western nation. He stated that while there has been no change whatsoever in the Soviet side's historical and legal basis concerning the territorial issue, the latest Japan-USSR foreign ministers consultations reached an agreement on further deepening mutual understanding over various issues.

Foreign Minister Shevardnadze requested time for a statement at the outset of this press conference and referred to the result of his visit to Japan. In the statement, he said that in the consultations he discussed with the Japanese side a broad range of issues including bilateral problems between Japan and the Soviet Union and international developments, that the two sides thus took the first step toward deepening mutual understanding, and that as a result the two nations have moved closer to each other in their position. He emphasized that he is satisfied with the fact that the Japan-USSR dialogue has been expanded.

[Begin Shevardnadze recording in Russian] I will try to summarize things in a general way. First of all, the very fact of resumption of a political dialogue is positive, and the fact that it will undoubtedly be continued gives rise to satisfaction. We have agreed to this firmly.

As you know Prime Minister Nakasone has been given an invitation, a message from Mikhail Sergeyevich Gorbachev with an invitation to the prime minister to visit the Soviet Union. Comrade Gorbachev has likewise been invited to visit your wonderful country.

I will say frankly that nothing has changed in the Soviet side's understanding of the historic, legal, and treaty aspects underlying solution of the territorial question. There are some other unsolved problems that are fairly complicated and difficult. Despite the existence of these unsolved problems and differences between our countries, we nevertheless reached agreement with the leadership of your country to seek paths of mutual understanding and in this way to strive for normalization of our relations step by step. [end recording]

In reference to the three-phase nuclear disarmament proposal recently made by General Secretary Gorbachev, the Soviet foreign minister said that the Soviet Union is calling for the scrapping of nuclear arms, not their redeployment from the earth to space. He added that he thinks that it will become one of the central themes at the second U.S.-USSR summit between General Secretary Gorbachev and President Reagan this summer. He thus showed a positive stand toward disarmament negotiations with the United States based on the latest Soviet proposal.

Agree to Reopen Peace Talks

OW190632 Tokyo KYODO in English 0518 GMT 19 Jan 86

[Text] Tokoyo, Jan 19 KYODO -- Japan and the Soviet Union Sunday agreed to resume peace treaty negotiations which have been suspended for over a decade because of a territorial dispute. The agreement was made public in a joint communique, issued simultaneously in Tokyo and Moscow at 0600 GMT following three days of talks here between the two ministers -- Eduard Shevardnadze of the Soviet Union and Shintaro Abe of Japan.

The communique did not mention the territorial problem in words, against the wishes of the Tokyo government. Instead, the document said the two foreign ministers conducted a round of negotiations on conclusion of a peace treaty on the basis of the 1973 joint communique between the two countries.

Abe and Shevardnadze agreed to continue the peace treaty talks at the next round of foreign ministers' consultations in Moscow, it said. The territorial issue involving the four islands off Hokkaido, seized by the Soviets at the end of World War II, has prevented the two nations from signing a peace treaty.

The 1973 communique, signed in Moscow by then Soviet leader Leonid Brezhnev and then Japanese Premier Kakuei Tanaka, said the two countries should resolve issues left unresolved since the end of World War II and sign a peace treaty. The Japanese side has said that the Soviet side gave an oral assurance at that time that the unresolved issues included the territorial problem. Moscow, however, changed its stance in the mid 1970s, and has since said there is no territorial issue with Japan.

The wording on the issue of the communique announced Sunday is considered to be a product of compromise between Japan, which wanted the Soviets to admit the existence of the problem, and the Soviet Union, which wanted to improve overall relations with Japan.

Shevardnadze Departs for DPRK

OW190504 Tokyo KYODO in English 0456 GMT 19 Jan 86

[Text] Tokyo, Jan. 19 KYODO -- Soviet Foreign Minister Eduard Shevardnadze left Tokyo Sunday, concluding a five-day official visit to Japan. His next stop is Pyongyang, North Korea. Shevardnadze's Asian trip will also take him to Mongolia.

The first Soviet foreign minister to have visited Japan in 10 years, Shevardnadze held a total of 11 hours of talks with his Japanese counterpart Shintaro Abe. Shevardnadze and Abe agreed that their two countries should step up cooperation and political dialogue and they also discussed the territorial problem over the Soviet-held northern islands, the thorniest issue between Tokyo and Moscow.

Shevardnadze also met Prime Minister Yasuhiro Nakasone on Saturday.

He is accompanied by his wife Nanuli and a high-powered delegation, including his deputy Mikhail Kapitsa.

ABE CALLS TALKS WITH SHEVARDNADZE 'SUCCESS'

OW190837 Tokyo NHK Television Network in Japanese 0800 GMT 19 Jan 86

[Text] Foreign Minister Abe held a press conference after the Japanese-Soviet joint communique was made public, saying that regrettably the Soviet side did not change its conventional position on the territorial issue, a pending issue, at the just-concluded foreign ministers' consultations.

He, however, added: In view of the attitude taken by the Soviet side in recent years of not even coming to the table for talks on the territorial issue, the consultations with Foreign Minister Shevardnadze this time were a significant success and the joint communique will be a new starting point for the settlement of the territorial issue. He thus stressed the positive results of the latest Japanese-Soviet foreign ministers' regular consultations.

OPPOSITION PARTIES HAIL USSR JOINT COMMUNIQUE

OW190929 Tokyo KYODO in English 0917 GMT 19 Jan 86

[Text] Tokyo, Jan 19 KYODO -- Opposition parties welcomed the Japan-Soviet joint communique issued Sunday and called for further Japanese efforts for a peace treaty. The main opposition Japan Socialist Party issued a statement saying it hails the resumption of regular meetings between the foreign ministers of the two countries. The exchange of invitations to the leaders of the two countries will help develop Japan-Soviet friendship, the statement said. The JSP called on the government to make efforts to settle the territorial issue while promoting negotiations for a peace treaty.

The largest opposition party, however, was disappointed with the government's failure to respond to Soviet leader Mikhail Gorbachev's fresh disarmament proposal to wipe out all nuclear arms by the end of the 20th century, the statement said.

Komeito, the No 2 opposition party, said it is happy to see that Japan and the Soviet Union have agreed to promote dialogue. Komeito called it "a step ahead" that the two countries confirmed the 1973 joint communique and agreed to continue peace treaty talks. The Japanese Government should make tenacious efforts to conclude a peace pact, it said.

The No 3 opposition Democratic Socialist Party described as "significant" the exchange of invitations to Gorbachev and Prime Minister Yasuhiro Nakasone. The DSP said it appreciated the communique, which confirmed that Japan and the Soviet Union will continue peace treaty talks and hinted at possible discussion of the territorial issue.

The government should do its best to realize the return of the northern islands off Hokkaido, occupied by the Soviet Union after the closing days of World War II, the middle-of-the-road party said.

The Japan Communist Party said it thinks the latest series of talks between the foreign ministers produced some progress for bilateral ties between Japan and the Soviet Union. As a matter of fact, the JCP said, the territorial issue is included in "problems which might constitute the content of a peace treaty" as mentioned in the joint communique. The party asked the government to stick to Japan's claim on the northern islands.

NAKASONE SEES 'STEP FORWARD' IN TERRITORIAL CLAIM

OW200421 Tokyo KYODO in English 0348 GMT 20 Jan 86

[Text] Tokyo, Jan 20 KYODO -- Prime Minister Yasuhiro Nakasone Monday welcomed the outcome of the just-ended Japanese-Soviet foreign ministerial talks as "a step forward" in Japan's territorial claim from the Soviet Union.

The talks, which took place in Tokyo last week between Foreign Ministers Shintaro Abe of Japan and Eduard Shevardnadze of the Soviet Union, resulted in a joint communique in which Moscow gave what Japan considers an acknowledgment of the existence of a territorial dispute between the two countries.

Nakasone, speaking at a gathering of industrial and labor leaders in Tokyo, focused his comments on the Abe-Shevardnadze talks on the territorial dispute -- the most contentious issue dividing the two countries.

The talks "marked a step forward in the stalled territorial issue," Nakasone said. The territorial issue refers to Japan's claim to four Soviet-occupied islands off Hokkaido in northern Japan.

In a brief exchange with reporters at his official residence earlier Monday, Nakasone also expressed satisfaction over the communique, saying Japan "has achieved its objective."

GOVERNMENT DETERMINED TO SETTLE ISLAND ISSUE

OW210145 Tokyo KYODO in English 0232 GMT 21 Jan 86

[Text] Tokyo, Jan. 21 KYODO -- The government renewed its determination Tuesday to "negotiate tenaciously" for the return of the northern islands at the same time as it tries to conclude a peace treaty with the Soviet Union. Cabinet Chief Secretary Masaharu Gotoda underscored the government's position at a cabinet meeting Tuesday morning, officials said. Gotoda was acting for Foreign Minister Shintaro Abe, who is visiting Britain and West Germany.

In a report on last week's foreign minister talks between Abe and his Soviet counterpart Eduard Shevardnadze, Gotoda underlined the significance of the dialogue, saying it marked an important phase in diplomatic relations with the Soviet Union. He singled out two agreements as marking a fresh start in Japanese-Soviet relations: one to expand political dialogue, including a meeting between the top leaders, and another to continue negotiations on a peace treaty.

Gotoda reiterated the government position that negotiations for a peace treaty would include the settlement of Japan's claim to the four Soviet-occupied islands off northern Japan. He said the Japanese Government will continue to press for the return of the islands, although Shevardnadze did not offer any change in the Soviet position during his talks with Abe. "This is regrettable," Gotoda said.

The Soviet Union claims there is no territorial dispute with Japan, but Tokyo insists that in consenting to reopen negotiations on a peace treaty the Soviets have agreed to put the territorial issue on the negotiating table.

MAC MEETING 'DEMANDED' OF U.S. FOR 23 JANUARY

SK211012 Pyongyang KCNA in English 1004 GMT 21 Jan 86

[Text] Kaesong January 21 (KCNA) -- As already reported, our side on January 18 demanded the U.S. side hold the 433rd meeting of the Military Armistice Commission at 11 January 21, 1986, in connection with the publication of a plan to hold the aggressive "Team Spirit 86" joint military exercises. The U.S. side, however, delayed the convocation of the meeting without any reason and proposed to hold the meeting on January 29. As the "Team Spirit 86" joint military exercises lead the situation to an extreme pitch of strain and increase the danger of nuclear war in Korea and lay a grave obstacle in the way of the North-South dialogues, it is a pressing issue which brooks no delay to discuss this matter. Hence, our side to the Military Armistice Commission on January 21 sent a message to the U.S. side, demanding it to have the 433rd meeting of the Military Armistice Commission on January 23.

Phone Message to U.S. Official

SK181434 Pyongyang Domestic Service in Korean 1300 GMT 18 Jan 86

[Text] The senior member of our side to the MAC sent a telephone message to the senior member of the U.S. side. In connection with the U.S. side's notification that it will conduct the "Team Spirit-86" joint military exercise from February 1986, the senior member of our side to the MAC sent the senior member of the U.S. side the following telephone message today.

Alleviating tension and eliminating the danger of a war on the Korean peninsula and promoting an atmosphere more favorable to the dialogue between the North and South are a pressing question in peacefully resolving the Korean question. If the North-South dialogue is to be fruitfully conducted, tension between the North and South must be alleviated, and, therefore, measures with regard to not conducting large-scale military exercises, among other things, must be taken at an earlier date.

Proceeding from this, our side advanced a proposal on limiting military exercises at the 431st MAC meeting, and the DPRK Government decided not to conduct large-scale military exercises throughout the northern half of the Republic as of 1 February 1986 and to stop all military exercises during the period when North-South dialogue is being conducted. Furthermore, the DPRK Government proposed that, responding to our proposal, the U.S. Government and the South Korean authorities proclaim that they will not conduct military exercises throughout South Korea as of 1 February and that they implement this. This proposal for alleviating tension on the Korean peninsula and promoting an environment decisively favorable to the dialogue between the North and South is a just and peace-loving proposal.

Positively supporting and welcoming our proposal, not only the Korean people but also the governments and peoples of the world's peace-loving countries demand that [your side] respond to this. Nevertheless, disregarding our repeated proposal and persistent efforts and the just demand by the world's peace-loving people, your side notified [us] that it will, again, openly conduct the "Team Spirit-86" joint military exercise from February. This is a challenge to our peace-loving proposal and to the Korean people and the governments and peoples of the world's peace-loving countries, who support and welcome our proposal, and is an intentional act of provocation designed to increase the danger of a war in Korea by laying obstacles to the dialogue between the North and the South and by exacerbating the situation.

Moreover, the fact that your side invited the side that is the target of invasion to the aggressive, large-scale military exercise is a profanity and mockery against us. Also, your side's conducting of the "Team Spirit-86" joint military exercise is a flagrant violation of the preamble, paragraph 12, and paragraph 13, items C and D, of the Armistice Agreement.

This more clearly shows that the relaxation of tension and the (?conducting) of the North-South dialogue which you are talking about are hypocritical and that you are seeking only confrontation and war in Korea.

Our side adamantly denounces this impure and provocative act of yours and also strongly demands that you cancel the plan to conduct the "Team Spirit-86" joint military exercise at once. If you conduct the aggressive "Team Spirit-86" joint military exercise, without accepting this just demand of ours, you must bear full responsibility for all consequences arising there.

[Signed] KPA Major General Yi Tae-ho, senior member of the KPA and Chinese People Volunteers Army side to the MAC

[Dated] 18 January 1986

'TEAM SPIRIT-86' 'VICIOUSLY CHALLENGING' PEACE

SK181102 Pyongyang KCNA in English 1055 GMT 18 Jan 86

[Text] Pyongyang January 18 (KCNA) — The U.S. imperialists and the Chon Tu-hwan puppet clique today announced the plan to hold the "Team Spirit 86" war exercises mobilising huge armed forces 200,000 strong with the sixth round of the North-South economic talks four days off, according to a radio report from Seoul.

The provocative war exercises to be held on an imaginary northward invasion condition will reportedly be started on the tenth of February and participated in not only by the U.S. imperialist aggression forces occupying South Korea and the South Korean puppet army but also by huge U.S. imperialist aggression forces from the Pacific region and U.S. mainland.

As is known, the sixth round of the North-South economic talks will be held at Panmunjom on January 22, and the third round of the preliminary contact for North-South parliamentary talks and the eleventh North-South Red Cross talks are slated for February thanks to our sincere efforts.

The world's peaceloving people who are greeting the international year of peace, directed deep attention to such dialogues to be held between the North and the South of Korea at the beginning of the new year and earnestly desire to see the relaxation of the tension on the Korean peninsula with the success of these dialogues.

But the U.S. imperialists and the South Korean puppet clique, refusing our proposal to discontinue military exercises as of February 1, plan to stage the provocative "Team Spirit" war exercises again, viciously challenging the desire of our people and the world's peaceloving people for peace in Korea and her peaceful reunification.

Such insincere acts casting shadow on the road of dialogues and heightening tension on the Korean peninsula fully show the heinous nature of the U.S. imperialists and South Korean puppet clique, their stooge, as criminals against the independent and peaceful reunification of Korea.

Dialogue Delegations Statement

SK200328 Pyongyang Domestic Service in Korean 0100 GMT 20 Jan 86

[Joint statement by the DPRK delegations to North-South economic talks, the Korean Red Cross Society, and the preliminary contact for North-South parliamentary talks issued on 20 January in connection with the U.S.-ROK announcement on plans to stage the "Team Spirit-86" joint military exercise]

[Text] On 18 January the United States and the South Korean authorities announced a plan to stage the large-scale "Team Spirit-86" joint military exercise in South Korea, beginning on 10 February.

According to the announcement of the South Korean-U.S. Combined Forces Command, this military exercise will mount a joint operation to attack us on the ground, on the sea, and in the air with the South Korean puppet army, mobilizing various types of armed forces, including the combat troops from the U.S. mainland and the Pacific and an aircraft carrier task force from the U.S. 7th Fleet.

This shows that the United States and the South Korean authorities will invariably stage a nuclear war exercise this year, too, to launch a preemptive attack against our republic in the area south of the Military Demarcation Line in our country, mobilizing the vast armed forces that are capable of completely waging a war.

The announcement by the United States and the South Korean authorities of this provocative war exercise plan with the upcoming sixth North-South economic talks, the third preliminary contact for North-South parliamentary talks, and the 11th North-South Red Cross talks a few days off has aroused indignation among the entire Korean people as well as the peace-loving people of the world.

As is well known, proceeding from the sole desire to bring the North-South dialogue to success this year and to alleviate tension prevailing in the country, we have repeatedly advised the United States and the South Korean side to stop acts of creating obstacles to dialogue and have made all possible efforts for the realization of this advice.

In particular, in his 1986 new year address the great leader Comrade Kim Il-song clarified the stand not only of holding well the talks that are being held at present but also making efforts for the realization of North-South summit talks, and then declared that both sides should not stage military exercises against the other party to dialogue as an important step to successfully conduct the North-South dialogue.

This principled stand has reflected the desire of the entire Korean people and the people of the world who want the opening of a new aspect for peace in our country and its peaceful reunification through dialogue. It has also reflected the common aspiration of our side's delegations to value the hard-won North-South dialogue and to bring it to a success. This is why our side's delegations have not only issued statements supporting the great leader's new year address, but have also appealed to the South side not to kick off such a military racket as the "Team Spirit" joint military exercise, dampening the atmosphere of dialogue this year, in response to our just and sincere stand.

At the first MAC meeting held at the outset of the new year, our side also urged again the United States and the South Korean side to stop large-scale military exercises in hindering the North-South dialogue and provoking the other party to dialogue.

Furthermore, proceeding from the stand to create an favorable atmosphere for North-South dialogue and to alleviate tension in the country, the government of our republic has decided to refrain from large-scale military exercises throughout the northern half of the republic from 1 February and to stop all military exercises during the period of the North-South dialogue, and then made public this decision at home and abroad through a Foreign Ministry statement. At the same time, it proposed to the United States and the South Korean authorities to actively respond to our new peaceful initiative.

The governments, political parties, and personages of all strata of many countries of the world today are raising their voices, expecting the United States and the South Korean authorities to show an affirmative response to all these sincere efforts and stand of ours for dialogue, the alleviation of tension, and peace.

Nevertheless, the United States and South Korean authorities, turning their faces away from our repeated peace proposals from the North, are trying to again stage the "Team Spirit-86" joint military exercise in the South. By so doing, they have openly challenged the conscience of us and the world.

We are surprised at such a reckless act by the United States and the South Korean authorities.

The delegations of our side to North-South talks, in the name of the whole nation desiring dialogue and reunification, firmly denounce the United States and the South Korean authorities for ignoring our sincerity and generosity after all and for trying to stage the "Team Spirit-86" joint military exercise, even though we have urged with good-will and with good words, have advised to make them to understand, have explained fully to convince them, and have even taken a new active measure.

In the last part of the announcement of the plans for the "Team Spirit-86" joint military exercise this time, the United States and the South Korean authorities added the remarks that it is a so-called regular and defensive exercise and, thus, has no relation at all with the North-South dialogue. This is only a clumsy excuse by those who are nervous over their crimes.

Talking about regular and defensive now has become a tune that is too old, and it has become too late to use this as a pretext. Today, when there is dialogue and when tension has tried to be eased, can large-scale war exercises threatening the opposite party to dialogue be justified militarily by trying to mislead public opinion with the words "regular and defensive" by using the words which did not work even at the time there was no dialogue between the North and South and when the situation was being aggravated?

The word "regular" which they talk about is precisely the standing danger of war, and the word "defense" means the opposite of attack. The sophism of the United States and the South Korean authorities that the military exercise to be staged this time has no relations at all with North-South dialogue is also brigandish logic that cannot convince the peoples of the world.

Dialogue is for peace, and military exercises are for war. As peace and war cannot be compatible with each other, dialogue and military exercises cannot intermingle. This is a reason which is clear to anyone.

In words, it is said there should be no fighting each other but illeviation should be sought. But, in actions the opposite party to dialogue is threatened by gunfire. In this reality, no good words can be uttered, and good results cannot be expected, even if seated face to face.

When we, the party sitting face-to-face with the South Korean side, directly feel the danger coming from military exercises, they who initiate the threat far-fetchedly say that there is not threat, and that the military exercise has no relation with dialogue. This is too shameless words and actions.

In the distant past, dialogue was brought to a rupture in the 1970's and, in the recent past, dialogue was suspended early last year. This shows that there is no need to explain further that the anticommunist confrontation and war exercise commotions by the United States and the South Korean authorities were directly linked with dialogue and gravely affected it.

They even daringly say that they have invited us to the exercises to be staged this time. An invitation should be made in accordance with reason. Asking one to come as a guest while pointing a gun at the heart of the opposite side is an act which lacks courtesy, morality, and common sense.

All facts clearly prove that by planning to stage the "Team Spirit-86" joint military exercise, the United States and the South Korean authorities do not want dialogue in our country and are not interested in peace in our country and its peaceful reunification.

For the South Korean side, which stated recently that it expected the North's sincere attitude for dialogue, to announce even before 3 days had passed the plans for this military exercise, which runs counter to dialogue, following the United States, while disregarding the dialogue it has held with the same compatriots, is hardly understandable.

For the United States, which showed its hand in deciding 1986 as the year of international peace at the United Nations last year, to try to bring about clouds of war which disturbing peace of its own accord at the outset of the new year while turning a deaf ear to the North-South dialogue for peace only shows that the words it wants a direct North-South dialogue are a lie, and that the words that it want peace on the Korean peninsula are also hypocrisy. The United States and the South Korean authorities cannot conceal their true colors as the destroyer of dialogue and the disturber of peace with any tricks.

For us who should achieve peace in the country and its peaceful reunification at an early date, dialogue is, of course, precious. However, we have no desire to hold such a dialogue in which no success can be expected and only confrontation will be further intensified [akhwa], because of the military exercise.

What necessity is there to hold a dialogue which is not conducive to both sides to dialogue and which can provide no hope to the nation?

Acknowledging that responsibility for suspending overnight the multifacted North-South dialogue, the star of which has been good and the prospects for which were also not gloomy, entirely lays with the United States and the South Korean authorities, we hold that an apology must be made to the whole nation and the peace-loving peoples of the world for this grave consequence.

Even now, there is no change in our stand to improve North-South relations through dialogue and negotiations.

Under the present circumstances when the United States and the South Korean authorities are trying to insistently stage large-scale military exercises, despite our repeated calls and warnings, our delegations can only state their stand that they will continue the North-South talks, which have continued to date, when an atmosphere is created favorably for talks and when the "Team Spirit-86" joint military exercise has ended. We are convinced that our just stand to seek a dialogue truly for peace and reunification will earn unanimous support and welcome from the whole nation and the peoples of the world desiring peace in our country and its peaceful reunification.

[Signed] The delegation of the North side to the North-South economic talks, the delegation of the DPRK Red Cross Society, and the delegation of the North side to the preliminary contact for North-South parliamentary talks; 20 January 1986, Pyongyang.

Yi Song-nok Telephone Message

SK210303 Pyongyang Domestic Service in Korean 0200 GMT 21 Jan 86

[Text] Yi Song-nok, head of the North side's delegation to the North-South economic talks, has sent the following telephone message to the South side's chief delegate to the North-South economic talks.

With the United States, the authorities of your side, on 18 January, with the sixth round of North-South economic talks 4 days off, announced the plan to conduct the "Team Spirit-86" joint military exercise. This has, again, promoted a great obstacle to our talks. We think it very regrettable that, as we have already stated in the 20 January joint statement, we cannot hold the immediate, sixth round of economic talks as scheduled, under circumstances in which your side, disregarding our repeated peace proposal and public opinion at home and abroad, announced the plan to conduct a large-scale military exercise against the opposite side to the dialogue. Recognizing that your side is wholly responsible for their discontinuation, again this year, of our economic talks, as your side was last year, I notify your side that we will have to decide upon the question of resuming (?our talks) in accordance with our judgment of the situation after the joint military exercise ends in your side.

[Dated] 21 January 1986

[Signed] Yi Song-nok, head of the North side's delegation to the North-South economic talks.

SHEVARDNADZE ARRIVES ON OFFICIAL GOODWILL VISIT

KCNA Reports Arrival

SK190918 Pyongyang KCNA in English 0903 GMT 19 Jan 86

[Text] Pyongyang January 19 (KCNA) -- E.A. Shevardnadze, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and minister of foreign affairs of the Union of Soviet Socialist Republics, arrived in Pyongyang today by plane for an official goodwill visit to Korea upon the invitation of the Central Committee of the Workers' Party of Korea and the government of the Democratic People's Republic of Korea.

He was cordially met at the airport by Pak Song-chol, member of the Political Bureau of the WPK Central Committee and Vice-president of the DPRK, Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice-premier of the Administration Council and foreign minister, Kim Pok-Sin, alternate member of the Political Bureau of the WPK Central Committee, vice-premier of the Administration Council and chairman of the Commission of External Economic Affairs, and other cadres. A large number of working people in the city enthusiastically welcomed the goodwill envoy of the Soviet people at the airport.

All papers here today carried editorial articles welcoming the visit to our country by the Soviet foreign minister and his profiles. NODONG SINMUN in an article notes that Shevardnadze's Korean visit is of weighty significance in boosting the daily developing traditional relations of friendship, solidarity and cooperation between the parties, governments and peoples of Korea and the Soviet Union.

Further on Arrival

SK191112 Pyongyang Domestic Service in Korean 0900 GMT 19 Jan 86

[Text] Comrade Eduard Amvrosyevich Shevardnadze, member of the CPSU Central Committee Politburo and foreign minister of the USSR, who is on an official friendship visit to the DPRK at the invitation of the WPK Central Committee and the DPRK Government, arrived in Pyongyang by air this afternoon. The Pyongyang airport was filled with an atmosphere of warm welcome as it was greeting the arrival of the friendship envoy of the fraternal Soviet people. Placed with due respect at the airport were the portraits of the great leader of our party and people Comrade Kim Il-song, general secretary of the WPK Central Committee, and of Comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee. Also posted in the airport were slogans reading "Long live the great leader Comrade Kim Il-song!", "Long Live Comrade Mikhail Sergeyevich Gorbachev!", "Long live the glorious WPK!", and "Long Live the CPSU!"

The flags of the two countries -- Korea and the Soviet Union -- were flying on the flagpoles. Erected in front of the lines of thousands in the welcoming crowd present, who carried the flags of the two countries and bouquets of flowers in their hands, were slogans reading "We wholeheartedly welcome Comrade Eduard Amvrosyevich Shevardnadze, USSR foreign minister!" and "Long live the indomitable fraternal friendship and unity between the Korean and Soviet people!" The airplane carrying the guests landed at the Pyongyang airport amid the warm welcome of the crowd.

Comrade Eduard Amvrosyevich Shevardnadze, member of the CPSU Central Committee Politburo and USSR foreign minister, and his wife; Mikhail Stepanovich Kapitsa, deputy foreign minister; and other suite members also arrived.

Comrade Pak Song-chol, member of the WPK Central Committee Political Bureau and vice president; Comrade Yim Yong-nam, member of the WPK Central Committee Political Bureau, vice premier of the State Administration Council, and foreign minister, and his wife; Comrade Kim Pok-sin, alternate member of the WPK Central Committee Political Bureau, and vice premier of the State Administration Council; Kim Yong-chae, chairman of the Korean-Soviet Friendship Society Central Committee and minister of communications; Kwon Hui-kyong, our country's ambassador extraordinary and plenipotentiary to the Soviet Union; and functionaries of offices concerned greeted the guests at the airport.

Nikolay Mikhailovich Shubnikov, Soviet ambassador extraordinary and plenipotentiary to our country; embassy staff; and diplomatic representatives of various countries were also at the airport. Members of the Youth Corp presented a bouquet of flowers to Comrade Eduard Amvrosyevich Shevardnadze.

Passing by in front of the crowd, Comrade Eduard Amvrosyevich Shevardnadze gave a return greeting to the crowd's warm cheers and headed toward downtown after getting in a car.

Meets Kim Yong-nam

SK201050 Pyongyang KCNA in English 1041 GMT 20 Jan 86

[Text] Pyongyang January 20 (KCNA) -- Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and minister of foreign affairs, on January 20 met E.A. Shevardnadze, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and minister of foreign affairs of the USSR, who paid a courtesy call on him, and had a conversation with him in a friendly atmosphere.

Present on the occasion were Kim Hyong-yul, vice-minister of foreign affairs, Kwon Hui-kyong, Korean ambassador extraordinary and plenipotentiary to the Soviet Union, and officials concerned.

Also present were Mikhail Stepanovich Kapitsa, vice-minister of foreign affairs of the USSR, and other suite members and Nikolay Shubnikov, Soviet ambassador extraordinary and plenipotentiary to Korea.

Holds Talks With Kim Yong-nam

SK201548 Pyongyang KCNA in English 1514 GMT 20 Jan 86

[Text] Pyongyang January 20 (KCNA) -- Talks were held in Pyongyang on January 20 between Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and minister of foreign affairs, and Eduard Amvrosyevich Shevardnadze, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and minister of foreign affairs of the USSR.

At the talks they informed each other of the situation of their respective countries, expressed satisfaction over the expansion and development of the friendly relations between the DPRK and the Soviet Union to a new, higher stage and discussed questions of further developing the relations between the two countries in the future.

At the talks they also discussed pending international issues of common concern.

A full consensus was reached on the matters discussed at the talks which took place in a comradely and friendly atmosphere.

Present at the talks on our side were Kim Hyong-yul, vice-minister of foreign affairs, and Kwon Hui-kyong, DPRK ambassador extraordinary and plenipotentiary to the Soviet Union, and on the opposite side were Mikhail Stepanovich Kapitsa, vice-minister of foreign affairs of the USSR, and Nikolai Shubnikov, Soviet ambassador extraordinary and plenipotentiary to Korea.

Visits Cemetery of Martyrs

SK201530 Pyongyang KCNA in English 1509 GMT 20 Jan 86

[Text] Pyongyang January 20 (KCNA) -- E.A. Shevardnadze, member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union and minister of foreign affairs of the Union of Soviet Socialist Republics, on an official goodwill visit to Korea and his party laid a wreath today at the cemetery of revolutionary martyrs on Mt. Taesong.

Present on the occasion were Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, Kim Hyong-yul, vice-minister of foreign affairs, Yi Ho-hyok, first vice-chairman of the Pyongyang Municipal Administrative and Economic Guidance Committee, Kwon Hui-kyong, DPRK ambassador extraordinary and plenipotentiary to the Soviet Union, and Nikolai Shubnikov, Soviet ambassador extraordinary and plenipotentiary to Korea, and his embassy officials.

After the playing of the national anthems of our country and the Soviet Union, the guests laid a wreath at the cemetery amid the playing of the wreath-laying music. They observed a moment's silence in memory of anti-Japanese revolutionary martyrs.

Today the guests also laid wreaths at the Liberation Tower and the Friendship Tower. Some members of the entourage of the Soviet Foreign minister visited today the Pyongyang Maternity Hospital, the Mansudae Assembly Hall and the Pyongyang Embroidery Institute.

Banquet Held

SK210902 Pyongyang Domestic Service in Korean 2300 GMT 20 Jan 86

[Text] The WPK Central Committee and the DPRK Government arranged a banquet last night at the People's Palace of Culture in honor of Comrade Eduard Amvrosyevich Shevardnadze, member of the CPSU Central Committee Politburo and minister of foreign affairs of the USSR, currently on an official goodwill visit to our country.

The foreign minister and his wife; Deputy Foreign Minister Mikhail Stepanovich Kapitsa; other accompanying personnel; and Nikolay Shubnikov, Soviet ambassador extraordinary and plenipotentiary, and embassy officials were invited to this banquet.

Present at the banquet were Comrade Pak Song-chol, member of the WPK Central Committee Political Bureau and vice president; Comrade Kim Yong-nam, member of the WPK Central Committee Political Bureau, vice premier of the State Administration Council, and minister of foreign affairs, and his wife; Comrade Kim Pok-sin, candidate member of the WPK Central Committee Political Bureau, vice-premier of the State Administration Council, and chairman of the commission of External Economic Affairs; Comrade Hwang Chang-yop, secretary of the WPK Central Committee; Kim Yun-sang, chairman of the Fisheries Committee; Choe Chong-kun, minister of foreign trade; Kim Yong-chae, minister of communications and chairman of the Korea-Soviet Friendship Society Central Committee; Chong Song-nam, minister of external economic affairs; Kim Chae-yol, minister of forestry; (?Yi Mong-ho), chairman of the Committee for Cultural Relations With Foreign Countries; Kwon Min-chun, deputy director of a department of the WPK Central Committee; Kim Hyong-yul, deputy minister of foreign affairs; Yi Ho-hyok, first vice chairman of the Pyongyang Municipal Administrative and Economic Guidance Committee; Kwon Hui-kyong, our country's ambassador extraordinary and plenipotentiary to the Soviet Union; and functionaries in related sectors.

Comrade Kim Yong-nam made a speech at the banquet. A speech by Comrade Eduard Amvrosiyevich Shevardnadze followed. The banquet took place in a friendly atmosphere.

Kim Yong-nam Banquet Speech

SK210447 Pyongyang Domestic Service in Korean 2300 GMT 20 Jan 86

[Speech by Kim Yong-nam, member of the WPK Central Committee Political Bureau, vice premier of the Administration Council and foreign minister, at a banquet hosted by the WPK Central Committee and the DPRK Government at the People's Palace of Culture on 20 January for Eduard Amvrosiyevich Shevardnadze, member of the CPSU Central Committee Politburo and Soviet foreign minister -- read by announcer]

[Text] Respected Comrade Eduard Amvrosiyevich Shevardnadze and comrades: I am very glad to once again meet with Comrade Shevardnadze our close friend, in our Pyongyang in the hopeful new year. Entrusted by our party and the government of the Republic, I heartily and warmly welcome Comrade Shevardnadze, member of the CPSU Central Committee Politburo and Soviet foreign minister, and his entourage members.

As Soviet foreign minister, Comrade Shevardnadze has paid an official visit to our country for the first time, vividly showing the excellent relations between our two countries that have blossomed and developed to a new, higher stage in accordance with the spirit that was agreed upon at the supreme level Korea-Soviet talks during the visit to the Soviet Union by the respected and beloved leader Comrade Kim Il-song. Although there are four seasons in nature, there is only one season, which is warm forever, in the relations existing between our two countries on the basis of Marxism-Leninism and proletarian internationalism.

We firmly believe that your visit to our country will greatly contribute to further consolidating the relations of friendship between Korea and the Soviet Union -- relations of invincible alliance among class brothers -- and to expanding and developing relations of mutual cooperation.

The current situation urges us to further strengthen traditional relations of friendship between Korea and the Soviet Union. Only by consolidating socialist positions by uniting firmly and only by strengthening a joint struggle by joining efforts in the international arena can socialist countries check and thwart the imperialists' policy of recklessly expanding armaments and their maneuvers to provoke a thermonuclear war, a new world war, and to protect world peace and security.

The Soviet Union, the fatherland of Leninism and the first socialist country, is invariably and firmly standing at the forefront of peace. Today, we are very glad to see that a new revolutionary upsurge has been brought about in the Soviet Union in the struggle to complete socialism and to build communism under the tested leadership of the CPSU led by Comrade Mikhail Gorbachev, an outstanding activist of the party and the government. The Korean people firmly believe that by successfully holding the approaching 27th CPSU Congress, the Soviet people will bring about an epochal and qualitative change on the road of their march toward communism.

Proceeding from the practical requirement for building communism, the Soviet Union has valued peace and positively struggled to prevent the arms race on earth and in space and to eliminate the danger of a nuclear war. The USSR-U.S. summit talks held in Geneva much more clearly showed the consistent and peace-loving Soviet policy and stand and marked the beginning of a sound turn in international relations.

Even after the summit talks held in Geneva, the Soviet Union has continuously exerted a sincere effort to preserve peace through practical activities by taking measures for the reduction of nuclear missiles and for the freezing of nuclear tests. By issuing a statement on 15 January, Comrade Mikhail Gorbachev announced a plan for a 3-month extension of the period of the unilateral moratorium of nuclear tests and for completely abolishing nuclear weapons throughout the world.

We positively support and highly appreciate the consistent and peace-loving Soviet measures and proposals for preserving peace in Europe and the world.

The Soviet Union has exerted efforts to maintain good relations among countries and guarantee peace and security in Asia as well as in Europe.

We positively support the recent Soviet proposal urging countries in the Asian and Pacific region to jointly exert efforts to alleviate tension in this region. As a matter of fact, Asia is one of the most dangerous areas, in which a new war could be touched off. Of these areas, the Korean peninsula is an area whose situation is strained extremely -- an area in which a war could be touched off at any moment because of the ceaseless maneuvers of the U.S. imperialists and the South Korean puppets for aggression and war.

While brazenly and boisterously babbling about a policy of attaching importance to Asia in executing an aggressive world strategy, the United States has massed vast aggressive forces in this area, has turned South Korea into a central nuclear forward base against our Republic and socialist countries, and has perversely maneuvered to accelerate the rearmament and remilitarization of Japan and to complete a tripartite military alliance among the United States, Japan, and South Korea.

In such a strained and difficult circumstance and under the wise leadership of the party Central Committee led by the respected and beloved leader Comrade Kim Il-song, the Korean people have vigorously accelerated socialist construction and have firmly guarded the socialist forefront in the Far East.

Proceeding from their consistent peace-loving policy and from a sense of responsibility for the times, our party and the government of the Republic have exerted every possible effort to eliminate the danger of war from the Korean peninsula and to peacefully resolve the question of Korea's reunification under all circumstances through dialogue and negotiations. This has been clearly reflected by our various proposals for founding the Confederal Democratic Republic of Korea, for holding tripartite talks, and for extensively conducting dialogue between the North and South. However, the United States and the South Korean authorities have ignored our fair and just proposals, and the dialogue that has been held between the North and South after a long interval has failed to make progress because of the South side's insincerity. It is entirely thanks to our party's patient and peace-loving effort that peace is preserved in Korea today, though unstable.

The situation shows that peace cannot be maintained in Asia and the world, unless the Korean question is settled in a peaceful manner.

In his new year's message, the great leader Comrade Kim Il-song declared that in order to resolve the fundamental question in peacefully achieving Korea's reunification, tripartite talks should be held among our Republic, the United States, and South Korea and that the highest-level talks ~~should~~ be held between the North and South. If they want to successfully make progress in the dialogue, both sides, above all, should refrain from provoking the opposite side to the dialogue and from blurring [hurigehanun] the atmosphere of the dialogue.

The DPRK Government has decided to stop, as from 1 February, large-scale military exercises in the entire area of the northern half of the Republic as an important step for alleviating tension on the Korean peninsula and for providing a decisively favorable circumstance for the dialogue and to suspend all military exercises during the period of North-South dialogues, and has urged the United States and the South Korean authorities to respond to this decision. However, instead of accepting our sincere proposal, the United States and the South Korean authorities have decided to stage a large-scale joint military exercise called "Team Spirit-86" beginning from February. This decision is an intolerable and brazen challenge to our peace-loving proposal and is a criminal maneuver to wilfully block the future path of dialogue and to further heighten tension.

Such an act committed by the United States and the South Korean authorities much more clearly proves that they are the ringleaders who, while ignoring the peaceful resolution of the Korean question and while running amok to make preparations for an aggression and a war, have disturbed peace and destroyed the atmosphere of dialogue. If the United States and the South Korean authorities continue to traverse such a road, the Korean question will not be resolved peacefully forever.

If the United States wants to put into action the affirmative results of the USSR-U.S. summit talks held in Geneva, the United States, instead of kicking up military exercise rackets, should respond to talks with us, withdraw all nuclear weapons and its forces that it has illegally deployed in South Korea, and accept our proposal for turning the Korean peninsula into a nuclear-free and peace zone.

The South Korean authorities, too, should assume a correct attitude of participating in the dialogue and should exert efforts to narrow differences in their views with us and to find a point of agreement, taking a sincere stand toward expediting the fatherland reunification.

We will struggle staunchly to smash all the maneuvers of the splittists at home and abroad to perpetuate the division of our country by concocting two Koreas and to invade our Republic, and to achieve the country's independent and peaceful reunification.

On this occasion, we express deep thanks to the Soviet party, government, and people for always and positively supporting the just struggle of our people to build socialism, to maintain peace in Korea, and to achieve the fatherland's independent and peaceful reunification.

It is the firm and invariable policy of our party and the unanimous will of our people to continuously consolidate and develop the great Korea-Soviet friendship that has been maintained in the joint struggle to oppose the imperialists and to achieve peace and the cause of socialism and communism and that has been firmly consolidated by the treaty for friendship, cooperation, and mutual assistance.

We expect that with the visit to our country by Comrade Foreign Minister Shevardnadze as an occasion, we will extensively exchange views on urgent and important international questions related to war and peace, including the issue of further strengthening excellent relations of cooperation between our two parties, countries, and peoples, and will satisfactorily achieve a consensus of views in this regard.

Firmly believing that your visit to our country will serve as an important opportunity to once again vigorously show the solidity and vitality of traditional Korea-Soviet friendship, I propose a toast to the everlasting friendship and unity between the peoples of Korea and the Soviet Union, to the long life and good health of the respected Comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee, to the long life and good health of the great leader Comrade Kim Il-song, to the long life and good health of the dear leader Comrade Kim Chong-il, to the good health of the respected Comrade Foreign Minister Eduard Amvrosiyevich Shevardnadze, and to the good health of all comrades present here.

Shevardnadze Banquet Speech

SK210604 Pyongyang Domestic Service in Korean 2300 GMT 20 Jan 86

[Speech by Eduard Amvrosiyevich Shevardnadze, member of the Political Bureau of the CPSU Central Committee and minister of foreign affairs of the USSR, made at a banquet hosted in his honor by the WPK Central Committee and the DPRK Government at the People's Palace of Culture on 20 January -- read by announcer]

[Text] Comrades: Friends like to talk about many things when they meet. They want to know how each is getting along, what successes each has brought about, what each has achieved, and what plan each has prepared. The same is all the more true when one returns, after a long lapse of time, to a country about which he has many beautiful memories.

A Korean proverb says, "After-10 years, even the mountains and rivers change." In the meantime, turns which have been brought about in the people's live's in your country are especially conspicuous to me, because I have not been in your country for 10 years.

Under the tested leadership of the WPK headed by Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK, great successes have been attained in all sectors in your country. The workers in your country, upholding the courses put forth at the Sixth WPK Congress, attained a great advance on the road of socialist construction. Pyongyang, the country's major city and the center of the development of modern industry, science, and culture, has changed beyond recognition. I am pleased with the fact that the traditional friendship between the Soviet and Korean peoples, which has been tested with the passage of time, has entered a new level and that mutual cooperation and harmony between our two countries has been expanded and deepened.

Our two countries are advancing, shoulder to shoulder, against the imperialists' maneuvers to increase tension in the world, to accelerate the arms race, and to destroy the peaceful space. Basic agreements which were made during Comrade Kim Il-song's visit to the Soviet Union have become a new and powerful impetus to relations between two countries. In the 2 years since his visit, contacts between our two countries have been more vigorously made and have become abundant in terms of their content. As you know, the Soviet leadership is attaching preferential importance to the development of relations with the People's Korea and other socialist countries.

I talked with Comrade Mikhail Sergeyevich Gorbachev before leading Moscow. He asked me to extend his warmest congratulations to leading cadres of the DPRK and all workers in your country. I am also willingly executing this honorable mission.

We, close neighbors, are paying due attention to how each is getting along. I think you will come to know with interest that the Soviet people are accelerating preparations for the upcoming 27th CPSU Congress, while bringing about great turns in the people's lives and in the country with this congress as an occasion. We have many things to do. However, the peaceful socialist construction program can be fulfilled only in conditions of lasting peace.

When the level of military confrontation is drastically lowered and the arms race is stopped on the globe, and when we disallow the expansion of such an arms race to space, such a peace can become a peace for all people.

Out of concern for peace as well as for the destiny of mankind, Comrade Mikhail Sergeyevich Gorbachev put forth a complete program showing clear-cut, consistent, and comprehensive measures to completely rid the globe of all types of nuclear and chemical weapons by the year 2000. This initiative agrees with the desire of the peoples of Asia to whom the question of peace and security is no less urgent than to the peoples of Europe, because in the Asian region a large number of nuclear weapons are stock-piled, threatening each country in this region as well as each country in other regions.

We hope that Asia will become a continent of peace and a continent without tension and conflict. The imperialists are interested in tension and conflict. The imperialists are looking for and creating excuses to interfere in the internal affairs of the sovereign states in order to intensify war preparations and to realize their aggressive plans, including one to use nuclear weapons. We are seeing this in the southern part of Korea. In the southern part of Korea, against the will of the Korean people, the United States has established a horrible nuclear armory and, with this, is attempting to gain Washington's special right over the countries in this region. In the name of the so-called Pacific community, it is now demanding another quasi-bloc body in order to direct the point of its spear at the socialist countries and the governments going against the grain of the United States.

The Soviet Union consistently calls for peace and security on the Asian Continent, and the peaceful cooperation of all countries in this region. However, it will be forced to take appropriate measures to guarantee its own security and the security of its allies and friends from the threat that is being created in the Far East.

It is important for the Asian countries themselves to start to seek measures to guarantee the security and peace in the region, as pointed out in the Soviet proposal on the comprehensive approach to the security question of Asia. Although this is a long-term plan, we proceed from the view that this should be realized through the concentrated efforts of all countries. We consider that this can be begun with multi-lateral and bilateral consultations. The importance of implementing this initiative, along with the confidence-building measures in the Far East, is being increasingly realized among the Asian countries.

We are glad that the Korean friends are supporting our stand. With regard to this, I think it is necessary to remind you that the Soviet Union is willing to most closely cooperate with other socialist countries which support this and have set forth quite a number of constructive ideas that will contribute to improving the political situation in this continent and throughout the world. I refer to the DPRK'S initiative for the alleviation of the situation on the Korean peninsula and for turning it into a nuclear-free zone.

We regard as very urgent also the proposal by the Mongolian People's Republic for Asian and Pacific countries to sign a treaty of mutual nonaggression and nonuse of force, and to hold a meeting of members of the parliaments of the socialist Asian states on the subject of "Peace and Security in This Region."

Organically in line with the single concept of peace on the Asian Continent are the steps taken by the government and people of Afghanistan to achieve a political settlement of the situation around their country. The undeclared war against this country continues to flare, bringing tears and grief. Thus, some circles are lavishly pouring fuel on the flames just to maintain the tense situation around Afghanistan. Those continuing to move forward along this road must ponder that such a short-sighted policy will do damage to the interests of their countries and allies. It is a reckless act to set fire to the house of a neighbor, because it can spread to the houses of those who set the fire as well as to the houses of those who have become their allies by offering them their territories and all of what they possess.

We are calling for a political settlement of the question related to Afghanistan, but we make it clear that outside interference in the internal affairs of Afghanistan should be stopped, and that there should be firm guarantees that such interference will not be resumed.

Next, we are willing to give the most active assistance to the initiative of the Indochinese countries directed at the establishment of a zone of peace, stability, and cooperation in that region.

We appreciate the nonaligned, well-considered, and peace-loving measures by India, which has gained a well-deserved authority as the most respected warrior of peace. Similar support is enjoyed also by the proposals put forth jointly with India by Argentina, Greece, Mexico, Tanzania, and Sweden. The voices of these six countries sound weightily with regard to the questions of liquidating nuclear weapons and banning nuclear weapons tests.

The five principles of peaceful coexistence and the 10 principles of Bandung, worked out by Asian states, retain their importance.

As you see, real preconditions exist for turning Asia into a continent of lasting peace, friendship, and genuine good-neighborly relations. In the future, too, the Soviet Union will contribute to this. It is precisely in this context that we view our recent talks with Japanese statemen.

We have resumed the political dialogue with the government of this country, have agreed to continue it, and have succeeded in finding the point of contact. The agreements concluded in Tokyo and other agreements for cooperation in the areas of science and technology will also be helpful for the cause of peace.

Despite a series of differences with this country in the prudent views expressed over various individual issues, we have come to firmly think that a common language should, and can, be found.

Normalization and improvement of Soviet-Chinese relations will undoubtedly play a substantial positive role in strengthening Asian security. Both the Soviet Union and China, as neighbors and allies of the DPRK, are interested in the elimination of tension from the Korean peninsula. These three socialist countries are calling for peace in this region, which is in a touch-and-go situation. This fact itself contains the bud of hope. We will cherish and nurture this bud.

We regard the Korean question as a complex and acute international problem requiring an early solution. We think that the reunification of Korea is, first of all, a question for the Korean people themselves. Interference by outside forces in Korea is unlawful and immoral. The withdrawal of the U.S. troops from the southern part of the Korean peninsula will accelerate the reunification of the country.

The constructive proposal for the establishment of the Democratic Confederal Republic of Koryo put forth by Comrade Kim Il-song and the peace-loving initiatives of the DPRK put forth to accelerate a peaceful and democratic reunification of Korea, to ease military confrontation on the Korean peninsula, to develop a broad dialogue between the two parts of Korea, and to expedite the transition from an unstable armistice to a lasting peace could serve as a good basis for resolving the Korean question. The Soviet Union has always been on the side of the fraternal Korean people struggling for the reunification of the nation and country and will always be on their side.

Today, in this place, warm and sincere remarks were made with regard to our country, our party, and our leadership. I express sincere gratitude for your kind hospitality and concern accorded to us. We think all this once again shows the aspirations to further strengthen and develop the fraternal friendship and profitable cooperative relations between our two parties and peoples. I wish the most respected Comrade Kim Il-song a long life and good health. At the same time, I wish the respected Comrade Kim Chong-il a long life and good health. In addition, I wish the many Korean friends present here success and good health.

Meeting With Kim Il-song, Son

SK211425 Pyongyang Domestic Service in Korean 1300 GMT 21 Jan 86

[Text] The great leader Comrade Kim Il-song received the minister of foreign affairs of the USSR. The great leader Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK, together with Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the WPK Central Committee, received today Comrade Eduard Amvrosiyevich Shevardnadze, member of the CPSU Central Committee Politburo and minister of foreign affairs of the USSR, on an official goodwill visit to our country.

Present on this occasion with the minister of foreign affairs were Mikhail Stepanovich Kapitsa, USSR deputy minister of foreign affairs; other members of the entourage; and Nikolay Shubnikov, Soviet ambassador extraordinary and plenipotentiary to our country.

Also present there were Comrade Kim Yong-nam, member of the WPK Central Committee Political Bureau, vice premier of the State Administration Council, and minister of foreign affairs; Comrade Ho Tam, member of the Political Bureau and secretary of the WPK Central Committee; and Comrade Kwon Hui-kyong, alternate member of the WPK Central Committee and our country's ambassador extraordinary and plenipotentiary to the Soviet Union.

On this occasion, Comrade Eduard Amvrosiyevich Shevardnadze conveyed to the great leader Comrade Kim Il-song a personal letter from Comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee. The great leader Comrade Kim Il-song warmly welcomed the foreign minister's visit to our country and had a conversation with him in a warm and friendly atmosphere.

'TEAM SPIRIT' TO BE SHORTER; TO BEGIN 10 FEBRUARY

SK180218 Seoul YONHAP in English 0147 GMT 18 Jan 86

[Text] Seoul, Jan. 18 (OANA-YONHAP) -- The annual joint Korean-U.S. Military exercises, 'Team Spirit '87', will be held on the Korean peninsula, from Feb. 1 until mid-April, the Korean-U.S. combined forces command (CFC) announced Saturday. More than 200,000 Korean and U.S. soldiers and a U.S. aircraft carrier fleet will participate in the 11th annual defense drill. This year 'Team Spirit' will be two weeks shorter than it was in previous years, U.S. Air Force Colonel Theodore Heil, the CFC spokesman, said.

The South Korean Government and the United Nations Command (UNC) notified North Korea about the 'Team Spirit '86' schedule and invited North Koreans to observe the exercises through a senior UNC delegate to the Military Armistice Commission, Rear Adm. Charles Horne III. The notification and invitation were intended, Heil said, to prevent misunderstanding on the part of North Korea and to ease tensions on the Korean peninsula.

This year, the drill will involve about 60,000 U.S. soldiers, it was learned.

Not To Affect Ongoing N-S Talks

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[Text] Seoul, Jan. 18 (OANA-YONHAP) -- The South Korean Government said Saturday the joint Korean-U.S. military exercise, 'Team Spirit '86' has nothing to do with the ongoing inter-Korean dialogue. In an official comment on the annual defense drill, the government said it will make every effort to ensure that the inter-Korean dialogue bears fruit this year by carrying on the scheduled inter-Korean economic talks, Red Cross talks, and preliminary contacts for the arrangement of parliamentary talks with sincerity.

The government said the 'Team Spirit' exercise, which has been conducted annually since the mid-1970s, is an open, defensive drill aimed at maintaining peace on the Korean peninsula.

N-S TALKS DELEGATION HEADS ISSUE STATEMENT

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[Text] Heads of the delegations of our side to North-South talks today issued a joint statement in connection with North Korea's unilateral postponement of North-South dialogue. The statement reads:

All the fellow countrymen in the North and South are now ardently hoping that the North-South dialogue of various forms conducted last year will come to good fruition in the new year through further smooth progress and will eventually open a new chapter for the relaxation of tension on the Korean peninsula and for improving relations between North and South Korea.

In particular, the separated families in the North and South and all fellow countrymen who still vividly remember the historic home-visits by the separated families and the exchange project of the Red Cross art troupes last year are expecting that the talks will progress well and will produce a great success again this time.

They also hope that an agreement on the promotion of the exchange of goods between the North and South and economic cooperation as well as the formation of North-South joint committee for economic cooperation, which were seriously discussed at last year's North-South economic talks, will be reached at an early date and that the exchange of goods and economic cooperation will be realized concretely.

Under such circumstances, the North Korean side issued, on 20 January, a so-called joint statement in the name of the delegations to the North-South dialogue via broadcast and announced that it unilaterally postpones the sixth round of the North-South economic talks, which, according to agreement, was to be held on 22 January; the third preliminary contact for North-South parliamentary talks, scheduled for 18 February; and the 11th round of North-South Red Cross talks, scheduled for 26 February, under the pretext of our side's customary military exercise.

Our delegations, together with all the fellow countrymen, cannot help being disappointed at the North Korean side's unjust act of stopping the dialogue as such.

As is widely known to the world, our side's "Team Spirit" exercise is a peace-preserving exercise for the purpose of defense. It was already foreseen, at the time the two sides agreed upon the dates for the North-South dialogue of three forms, that there would be a "Team Spirit" again this year, as it is a customary military exercise that has been conducted for the past 10 years.

As for the military exercise, it is common sense that any country in the world that has armed forces will conduct such an exercise as a matter of course, and it can be viewed as abnormal if any army does not conduct such a military exercise. The question is whether such a military exercise is conducted secretly or openly whether it is offensive or defensive, and, accordingly, whether it is exacerbating the situation or not and whether it is threatening the other party.

The fact that our side's military exercise does not constitute a threat to the North Korean side has been proven by the fact that our side has formally informed the North Korean side, in advance, of the content of such a military exercise as well as the period during which it will be conducted on many occasions in the past, and also by the fact that our side has even invited the North Korean side to observe the military exercise.

During the last year alone, the North Korean side conducted regiment-class and division-class military exercises in the areas close to the Demilitarized Zone and, while conducting large-scale military exercises with the participation of all services of the armed forces throughout North Korea, it has never publicly announced them or informed our side of them.

The fact that the North Korean side's military exercises are being conducted secretly in such a way and the fact that it is increasing the armed forces of an offensive nature in the areas close to the Demilitarized Zone makes it indispensable for our side to conduct military exercises of a defensive nature in preparation for any unexpected development.

Judging from such facts, the North Korean side's refusal to hold scheduled talks while picking a fight with us over military exercises which have become a custom can never be justified with any excuse, and cannot but be interpreted as an act of laying artificial obstacle to dialogue.

Even during the past period when military exercises were conducted by both sides, the North and South had held, on many occasions, talks such as contacts between the working-level delegates for talks between premiers of the North and South.

As a recent example, when the North-South sports talks began in early April 1984, during the period when the "Team Spirit" exercise was in progress, the North Korean side did not pick a fight with us by linking it to the talks.

If the North Korean side really intends to sincerely conduct the North-South dialogue, it should, primarily, observe well the items that have been agreed between the two sides rather than refuse to hold the talks under an unreasonable pretext.

This is not the first time that the North Korean side unilaterally postponed the talks and took the act of violating an agreement, and it is well-known that it is a hackneyed trick that the North Korean side has repeatedly employed on many occasions in the past. Even after it committed the provocative act of the shooting incident at Panmunjom on 23 November 2 years ago, the North Korean side not only aborted the scheduled North-South economic talks by distorting facts to make it appear as though our side were responsible for the incident, but also refused last year to hold the economic talks and Red Cross talks, the dates of which had already been agreed upon while denouncing our annual military exercise staged in the beginning part of last year.

The tense situation between the North and South is not caused by military exercises by our side, as the North Korean side claims, but is a product of the mutual distrust and hostile relations that have accumulated in the course of division that has continued for 40 years.

What is most important is pushing ahead with the North-South dialogue successfully is to keep faith with each other and to build trust, and this must first be embodied by adopting the approach to dialogue of sincerely implementing the agreement reached between the two sides.

If the North Korean side really wants the relaxation of tension between the North and South and unification, it should make the utmost sincere efforts for the building of trust between the North and South by responding to dialogue with a sincere attitude, instead of refusing dialogue under the pretext of the holding of the "Team Spirit" exercise.

Proceeding from such a stand, we call for the holding as scheduled of all forms of dialogue that have been agreed upon by the two sides and solemnly promised before all the fellow countrymen.

[Dated] 20 January 1986

[Signed] Kwon Chong-tal, senior delegate to the preliminary contact for the North-South parliamentary talks.

Kim Ki-hwan, senior delegate to the North-South economic talks

Yi Yong-tok, senior delegate to the North-South Red Cross Talks

'EXCERPTS' OF CHON'S NEW YEAR POLICY STATEMENT

SK170005 Seoul THE KOREA HERALD in English 17 Jan 86 p 5

['Excerpts' of new year policy statement delivered by ROK President Chon Tu-hwan at Chongwadae, presidential mansion on 16 January]

[Text] I am here today to report directly to you the directions of national administration to be pursued this year and to join you all in preparing our posture to meet the challenges of the coming year. First of all, I want to heartily applaud every one of you for having done your best last year to overcome various internal and external difficulties besetting our country and to further national development. I expect that even greater results will be achieved in the new year through our continuing concerted efforts.

Thinking about the realities confronting our nation and what future course we should take, I feel my responsibilities are now more awesome and grave than ever before. This is because although no hour in the course of history may be considered unimportant, I cannot but regard with utmost seriousness the little more than two years' time between now and the day in 1988 that I will return to the life of an ordinary citizen as I have been wanting to for a long time. This coming period is not only the time for me, charged with government administration in this year of transition, to wind up my mission, but more importantly, it will be a truly momentous turning point that will determine the successes and failures of our generation as well as the destiny of the Korean people.

Above all, in the spring of 1988, we must, for the first time in our constitutional history, set a new precedent of the head of state handing over the reins of government to a successor upon completion of his assigned term of office. Next, in the fall of that same year, we must successfully stage Korea's first-ever Olympic Games with Seoul serving as the host, thereby fully demonstrating the inexhaustible inner resources of the Korean people. Furthermore, we must have built by that time a solid basis to prevent the present mode of inter-Korean relations characterized by division and fear or war from continuing into the next century.

This year marks the beginning of the second half of the 1980s that is bound to constitute a watershed in the national advancement toward such goals. As our national history shows, however, we must clearly realize that this course of transition is an uncharted path for all of us, different from anything this generation has experienced before. As is the case with any alluring August mountain peak, the path to the summit will be very steep and full of hazards. Accordingly, it behooves us to devote our all to the task with an extraordinary determination.

The indomitable spirit of perseverance, fortitude and creativity that has marked the Korean people throughout history should also guide and propel us today through this crucial stage in the belief that such tenacious national qualities will not fail to make 1986 a year of great strides along the illustrious course of history. I will now explain specific government policies in various fields.

Diplomacy and unification

Today we are in a very complex situation in which our international status and influence keep growing as we advance onto the world scene, while at the same time the world poses increasingly tougher challenges and trials. Moreover, the international political current is now marked by disorder, rather than order, and by near-chaotic instability, rather than stability. Local wars are frequent and terrorism is racking the international community. As a result, the risk of a world war is increasing.

To safeguard the nation and attain the ideal of unification in such an international environment, we must devote ourselves even more earnestly to diplomacy. Modern diplomacy must be an all-out national endeavor for not only the government and political parties but also the general public -- all united in pursuit of the national interest. When we think of what price we had to pay in the relatively recent past by failing to wisely adapt to changing world trends, we become even more acutely aware of the importance of all-out diplomacy.

This year also, I will work ever more energetically not only to further deepen friendly relations with our traditional friends, such as the United States, Japan and Western Europe, but also to promote our long-standing open-door policy toward the People's Republic of China, the Soviet Union and other Communist nations, as well as toward Third World countries. The vigorous implementation of such policies is intended to help improve our economy and foreign trade, while ensuring the success of the 1986 Asian Games and the 1988 Olympics.

In September last year, we observed the moving sight of relatives from the South and North embracing each other in tearful reunions after traveling hundreds of miles both ways between Seoul and Pyongyang. Considering the proverb, "Even a journey of a thousand miles begins with a single step," and in view of our deep desire to see our land and people unified once again, this development is very meaningful.

Remembering the labor and patience that all our citizens exerted over the past five years to open a new chapter in inter-Korean relations, I solemnly vow to exercise all the authority and powers invested in me and concentrate the strong determination of the republic on ensuring that the paramount principles of national reconciliation leading to democratic unification are pursued to a successful end.

It is by no means easy to arrive at substantive accords between two different sets of ideologies and political systems. And yet, since the territorial division has taken place during our generation, unification should also be achieved during our generation. With such a sense of responsibility, I will not only strive to sustain the existing channels of dialogue but will gladly keep opening new forums for dialogue in any field, as long as there is an assurance of good faith on the part of North Korea. In addition to carrying on talks, I want to urge both the South and the North to ban the use of violence and force of arms and to open their societies to each other. Experience has taught us the lesson that war and violence do not solve any issue and instead make matters worse.

All possible means and methods must be employed to prevent any further unfortunate catastrophes, especially as we are of one ethnic stock. No matter what sacrifices may be required, we must prevent any development through which this peaceful and beautiful land would be once again stained by blood, all the fruits of our sweat and labor would be reduced to heaps of ashes overnight and our children who are now happily romping around would have to roam about in rags and in hunger through war debris.

National Defense

We must bear in mind that should our war deterrence be insufficient and our determination to defend ourselves infirm, our desire for peace would become a weakness to be taken advantage of by the other side and the lofty cause of unification would be used as an excuse to attempt unification through communization. This is exactly why our defense capabilities must be maximized while sincere dialogue is promoted.

The government will thus redouble its efforts to modernize our armed forces and enhance our ability to deter war.

However, we should renew the realization that our security depends ultimately on our own determination and endeavors. The fact is that nation which does not make serious independent efforts to defend itself will not be able to obtain assistance from anyone else. This is the cold-hearted logic of power dominating the international community. We must show our awareness of this stark reality through deeds and not just words.

Having now reached the threshold of the developed world, we are about to take big strides in political development. Unlike in the past, we now have greatly increased public and private assets to safeguard. Furthermore, we are drawing closer and closer to the 1986 Asian Games and the 1988 Olympics, the success of which will translate into excellent opportunities to further expand and build up our assets.

In this context, I believe that the people now demand a shift into what may be termed grand politics to channel all national energies into further increasing the nation's assets. I am confident that through such grand politics, we will be able to evolve on our own an advanced political tradition in which national issues are resolved through the concerted efforts of all citizens. In that way, I believe, we will further be able to set an example for overcoming the obstacles to democracy, now regarded as a major world problem no less serious than the horrors of war and the yoke of poverty now prevailing in many parts of the world.

The development of such a quality of politics critically depends on all politicians meticulously discharging their duties to promote the national interest and public welfare and to uphold the intrinsic principles of parliamentary democracy. I do not think there is any politician who does not know that the essence of democracy consists of practicing democratic procedures and rational methods and that the basic function of parliamentarians is to reconcile and coordinate diverse views and demands of the people through dialogue and debate within the parliament.

The most crucial task that must be accomplished by all means in keeping with the spirit of the grand politics that we pursue is to make peaceful changes of government inviolable. In reflecting upon the gravity of this question, I, as the Chief Executive, am convinced that although the beginning of the task was important, the processes of carrying it on and concluding it are even more important. With that conviction, I want to make it clear once again that I am determined to devote my all to fulfilling that responsibility during the remainder of my term of office. In this connection, political parties and politicians should so exert themselves as to win and deserve such popular confidence that the next administration can be entrusted to an individual or party without worry. The goal of politicians and political parties should be to win public trust through election and to peacefully take over the reins of government.

Constitution

I, of course, know perfectly well that some citizens are sympathetic to the call for reversing the Constitution to adopt a direct president election system. I also fully understand that they do not necessarily base their view on any partisan loyalties but on a reasoned and independent judgment. I want to tell you unequivocally that direct presidential elections are not bad in and of themselves. As is the case with the current presidential election system, a direct election system also has its own logic and theoretical and empirical underpinning. In fact, we ourselves also opted for one in the past. We must, however, cool-headedly reflect on what was actually gained through its implementation.

I am sorry that as a President in office, I have to critically discuss an issue involving my esteemed predecessors. But we have to ask ourselves if we managed even once to achieve good results and desirable development through direct presidential elections. To state the conclusion first, such elections led only to the worst possible outcome -- that is, the failure to achieve even a single peaceful change of government, not to speak of problems involved in the electoral process per se.

It should be recalled that the notorious "Pusan political turmoil" was touched off in the wartime capital in the early 1950s by the bitter opposition of concerned politicians against moves to revise the Constitution to introduce a direct presidential election system. They maintained that such an amendment would clear the way for an individual's prolonged hold on power. Unfortunately, their prediction turned out correct. We must review with an open mind the nation's political history following that particular constitutional amendment.

Such a turn of political events is not unique to Korea. Looking at the rest of the world, only a very few advanced democratic countries employ direct systems to elect their governments. And we should examine how many of those countries which have direct election systems have succeeded in establishing traditions of peaceful changes of government -- one ideal of democracy.

I ardently desire that my stepping down upon completion of my term of office will set a precedent that will evolve into a firm new tradition in this land. I believe this is in full conformity with public wishes. At the same time, however, in view of the Republic's past political track record, I am still a little concerned about the possibility that such a precedent may not be honored for long, unless our people continue to worry about and take an interest in this matter. The most fundamental way to maintain and manifest such concern and interest is to firmly uphold the institutional device ensuring peaceful changes of government.

Of course, my constitutional tasks have yet to be fully accomplished. I am convinced, however, that with the concern and help of the people they will be brought to a proud conclusion. Accordingly, I believe, it is not the proper time to discuss revision of the system at this stage when my presidential tasks are yet to be accomplished and moreover, even a single instance of peaceful change of government in accordance with the Constitution is yet to be effected.

The Korean people, including myself, have already come a long way along the path laid by the present system toward the goals of setting illustrious precedents. To engage in controversy over whether or not to revise the system at a time when the goals are right before our eyes would be tantamount to drifting aimlessly once again. Furthermore, we must even more seriously reflect on the fact that the task of attaining our long-cherished political goal coincides with the rare opportunity to propel the nation forward by successfully staging the 1986 Asian Games and the 1988 Olympics.

Now is the time to concentrate all national energies and resources on overcoming the extraordinary internal and external difficulties currently confronting us and on accomplishing urgent national tasks. Nothing can take precedence over this. It is feared that an all-engrossing controversy at this critical juncture over whether or not to amend the Constitution would lead to the folly of dividing public opinion and dissipating national energies, thereby not only making it even more difficult to achieve vital national goals but also inviting even greater difficulties.

We cannot afford to repeat that ill-conceived course of action recorded so often in our history which caused such internal divisions to make it impossible to overcome the challenges and trials facing the nation.

It is true that any law or institution can be changed as the times change. I believe, however, that the issue of whether or not to change the nation's presidential election system ought to be debated in 1989 only after we have accomplished the urgent national tasks of setting a precedent for a peaceful change of government and of successfully staging the Seoul Olympics and only on the basis of such accomplishments.

Economy

Since the birth of the Fifth Republic, we have steadily endeavored to ensure sustained economic growth and stability and to improve our industrial structure. We can take pride in the fact that such efforts have resulted in the very low annual inflation rate of 2 to 3 percent for the past four consecutive years. Meanwhile, deficits in the balance of payments continue to decrease, coming down to the range of \$700 to \$800 million last year. We have thus moved a step closer to attaining the longstanding goal of fully self-reliant growth.

Our per capita national income has now risen past the \$2,000 mark, thanks in part to a bumper agricultural harvest for the fifth straight year, a feat resulting from the fact that we successfully coped with unusually frequent natural disasters, thereby enabling the continued steady growth of the overall economy. Subways have transformed the mode of public transport in Seoul and Pusan.

The Han River is regaining its original cleanliness as a result of intensified pollution control. All parts of the country, including remote farming and fishing communities, have been brought much closer together through drastic expansion and modernization of road and communications networks.

And yet, due to rapid changes in the internal and external economic environments, we are now once again faced with a period of momentous transition which calls for our wide perception of reality and resolute action to cope with it. In recent years, the world has been dragged into the vortex of economic war reminiscent of the 1930s which presaged a world war. The free trade system is being fundamentally challenged by a rising tide of protectionism. The violent waves of rapid technological innovation are forcing basic readjustments of the industrial and trade structures of nations throughout the world, thus adding to uncertainties.

Such a shifting world economic climate is sending dual shock waves to the Korean economy, which has now grown into the 13th largest exporter in the world. One is rising barriers against our exports and the other is pressures to open our market wider and wider. Our economy is also plagued by many difficult problems originating internally. In particular, the ongoing readjustment of our industrial structure is depressing certain industries, leading to more serious employment and unemployment problems than ever before.

This year, we must prepare the basic configuration of the sixth Five-Year Economic and Social Development Plan. I take this occasion to explain several basic economic policies that must be carried to a successful conclusion if we are to break through current adverse internal and external conditions and move onto a broad and smooth avenue toward economic advancement.

First, the greatest possible effort will have to be made to revitalize business investment in order to reinvigorate the economy and achieve full employment. As a result of a series of stimuli that the government applied during last year, our economy began to gradually regain vitality in the second half of 1985. However, more active increases in both investment and exports are needed to create a sufficient number of jobs for the additional 400,000 to 500,000 new entrants into the labor market each year.

It is most important in this regard to promote the emergence of new enterprises capable of developing and marketing new products that can compete in the international marketplace. In this context, the government will drastically simplify and streamline the procedures for founding small and medium businesses and to invigorate venture capital institutions in order to provide such businesses with the necessary financing.

In addition, business information services will be expanded and improved to enable small and medium businesses to speedily and easily obtain up-to-date marketing and technological information needed to ensure their healthy growth.

Second, a wide spectrum of policies and programs will be developed and implemented to overcome protectionist barriers and make the most of the opening of our markets and internationalization. To cope with protectionism, it is essential to improve technologies and raise productivity in order to produce better goods at lower costs. It is also necessary to put greater emphasis on the export of parts and components, rather than concentrating only on exporting finished products. At the same time, we must more actively take advantage of market-opening measures in other countries to develop new export markets.

The government will do everything in its power to extend maximum possible support to private industries in their endeavors to achieve all such goals. In this connection, the government intends to establish at the earliest possible date in cooperation with the private sector, programs to systematically train and educate a sufficient number of talented workers to cope with the trends toward increasing internationalization.

Third, we must build a solid foundation for self-reliant growth, ending a longstanding dependence on foreign loans to supplement our own financial resources. During the more than two decades since the Republic embarked on long-term development programs, we have managed to grow rapidly most of the time, recording an average annual growth rate of over 8 percent. In so doing, we have had to meet part of the investment requirement by borrowing capital from abroad.

However, we have now reached a point in which we must seek self-reliant growth by financing our investment needs with our own domestic savings alone. Moreover, we have already acquired sufficient capabilities to do so. To illustrate, our international payments gap, which exceeded \$5 billion annually as late as the turn of the 1980s, has since been narrowed year after year and an equilibrium is now in sight.

Fourth, we must accelerate our advance preparations for the 2000s. If we are to advance into the developed world by the end of this century, now only 15 years away, we must be able to accurately predict the future course of the global currents of technological innovation and industrial readjustments and take well-researched and careful measures to capitalize on the ongoing and anticipated changes.

With the aim of actively taking advantage of emerging new technologies to expedite the materialization of the vision of an industrially advanced Korea, the government, in conjunction with the private sector, plans to develop and implement a sounder industrial development strategy. Such a strategy will be operated within the framework of a free market economy founded on freedom and individual initiative. In addition, even greater efforts will be made to stimulate research and development activities and to train more sophisticated technologists and scientists so that we can more speedily assimilate and develop advanced technologies.

Fifth, the government intends to more earnestly develop and implement policies and programs to develop all provinces with a view to building prosperous farming and fishing communities throughout the country. We must frankly admit that in the past economic development has been centered around large population centers. From now on, however, my conviction is that to achieve the balance growth of our economy, all-out efforts must be made to foster renewed development of the farming and fishing communities, which may be regarded as the roots of our culture and traditions. To that end, the government is making plans to enable rural communities to keep abreast of cities in terms of employment opportunities, income standards, opportunities for individual self-improvement and the living environment.

Lastly, the government will energetically carry out social welfare policies designed to widen the middle class, while enabling low-income classes to also share substantially the fruits of growth. The groundwork for attaining such goals has now been well laid as the result of the hard-won price stability and the successful curbs on real estate speculation.

The government will take measures to make it even easier for families to buy their own homes with accumulated savings. These will include increased provision of low-cost housing plots and housing loans. In addition, low-cost housing projects for low-income families will be further expanded and active support will be extended to the construction of company-owned apartments to be rented to employees, especially urban workers. That way, the government plans to progressively reduce the number of urban families suffering from various inconveniences and emotional stress due to housing shortages.

Education

In addition, further efforts will be made to expand educational opportunities and medical benefits. During the past five years, an additional 680,000 children were provided with opportunities to receive higher education. The number of citizens eligible for medical insurance and medical aid was increased by 5 million in the same period. I am sorry that a large number of citizens are still unable to benefit from such medical assistance plans.

Concerned organizations are studying at the request of the government ways to fundamentally solve that problem. Meanwhile, the government will further upgrade the clinical capabilities of health centers and subcenters with the aim of enabling rural residents to receive medical services at lower costs than their urban counterparts do. In addition, a program to subsidize the medical expenses of the needy will be put into force this year.

The incipient free, compulsory middleschool education program for rural children will be expanded while the system of low-cost, long-term college scholarship will be operated in a more efficient and effective manner.

When such policies to expand housing projects, to help build up the financial assets of ordinary citizens, and to provide for greater medical benefits and educational opportunities are steadily carried out, I am confident that our goal of transforming the majority of our people into middle-class citizens by the 2000s will be translated into reality.

Turning to education, intensive efforts have been made to reform the nation's educational system and enhance the quality of education, ever since educational innovation was adopted as a major national goal. Such efforts include the recent establishment of an educational reform deliberation commission under the direct jurisdiction of the President.

Culture & Arts

The government will endeavor to drastically expand and improve public libraries, which are now quite insufficient compared to those in developed countries, so that citizens will have much easier access to an increasing variety of books and other facilities to enrich their knowledge and cultural experiences. In light of the fact that the culture and arts of a nation are a major indicator of the quality of life and the level of development it has attained, the government will further intensify its efforts to promote them in every possible way.

Today, I want to especially emphasize the importance of national identity in culture and the arts. There have been no instances in which a people or a country lacking a vital cultural identity has played a major role in shaping the course of world history. Especially in this age of internationalization and openness, it is even more important than ever before to nurture cultural originality and root it in our own cultural heritage. Accordingly, we must not let our traditional culture degenerate into mere slogans or ornaments or into a counterculture.

Next, I want to stress that culture must be healthy and must permeate the life of society and the consciousness of the individual if it is to impart vitality. Individuals cannot transcend the reality enveloping their country. Especially, the art and culture of liberal democracy must not be allowed to disregard its original humanistic aesthetics and be used as a means to divide or foment mistrust. Accordingly, the range of the arts should be broadened, while the artistic quality of mass culture should be enhanced, so that the cultural environment can be drastically improved to enable all citizens to routinely enjoy healthy cultural activities.

At the same time, greater efforts will be made to promote cultural activities in the provinces and expand and improve the cultural infrastructure so that citizens throughout the land will have equal opportunities for cultural enjoyment. In that way, it should be possible to develop Korea into a nation renown for its original culture creativity.

Social Order

We cannot but be concerned about the fact that nowadays, some segments of society are increasingly vociferous in demanding changes to suit their own self-interests in disregard of the existing legal order and the spirit of community and are taking increasingly radical action. Especially, attempts to create undemocratic chaos and radical changes while ostensibly claiming to uphold democracy cannot be tolerated for any reason. I want to make it clear that in compliance with the desire of the absolute majority to see social stability prevail, as well as in pursuit of the historic task of making democracy take hold, resolute action will be taken against those who commit antisocial offenses that destroy the legal order and destabilize society.

At the same time, I want to emphasize that the time has come for the silent majority to cease their passive concern about the current state of affairs and to act as the bulwark for law and order by strongly rebuking and endeavoring to curb all manner of antisocial behavior. This is because only when all citizens as victims of confusion and instability rise to powerfully check antisocial offenses will it be possible to dash the illusion of the agitators that silence is tantamount to tacit approval and to establish safety valves.

I do not have an inclination to neglect even for a moment the duties imposed on the office of the President simply because my term of office will end in the near future. Accordingly, I am as determined as ever to establish social discipline. If to do so proves unpopular, I am fully prepared to suffer that unpopularity.

'86 Asian Games

As you all know quite well, the 10th Asian Games will be held in Seoul beginning on Sep. 20 this year. At that time more than 6,000 Asian youths will pit their skill and strength against each other under the motto, "Harmony and progress." All of us must dedicate our all to perfecting the preparations for the Games to ensure that the event, to be held for the first time in Korea, will be a true festival to promote lasting friendship and goodwill among all Asian peoples.

Further, we should endeavor to make the Seoul Games one of the most successful and exemplary Asiads in history. In particular, utmost care and effort must be exerted to perfect all the necessary facilities and enhance the capabilities to administer and operate the meet so that the best Asiad athletic performances ever can be achieved in the forthcoming event.

To elaborate, the upcoming Asian Games will not simply be an athletic event; it will be an opportunity to demonstrate to the greatest possible degree our cultural, artistic, scientific and technological capabilities as well as our civic spirit. Accordingly, I expect that not only the government and other directly involved organizations but also the general public will actively cooperate in a spirit of participation and with an utmost zeal to ensure its success.

We have broad indications before us as to the current of national history. This current leads to an illustrious new chapter in history recording our advancement into the forefront of development on the strength of a peaceful change of government as well as a successful Seoul Olympics in 1988. On the new crests to which we will have been lifted by that historic advancement, it should be possible to bring to reality our ideal of a peaceful, prosperous and unified homeland.

The future is often seen as a promising time of boundless possibilities, but such possibilities will not unfold of themselves if no preparations nor earnest efforts are made to develop and cultivate them. Let us, therefore, make a decision to meticulously advance along this current and unite our strength in doing so.

We should thus all pledge together this year to further accelerate and invigorate our grand national march toward the 2000s so that we can take pride in having made 1986 a year in which we have left a precious legacy for future generations to be long recorded in history. Once again I express the hope that on this occasion we will seal such a pledge. I wish all my fellow countrymen a very happy new year and lasting good health.

THE KOREA HERALD on Statement

SK170026 Seoul THE KOREA HERALD in English 17 Jan 86 p 4

[Text] With unfailing clarity and forthrightness President Chon Tu-hwan reaffirmed his commitment to effect a peaceful transfer of the reins of government by stepping down at the end of the current term and restated his resolve to ensure a full measure of social discipline, law and order in the meantime so that the long-sought practice of orderly political change can be established once and for all.

In his State of the Nation address delivered on the air yesterday, outlining the entire range of major state policies for 1986, the President stressed, with good reasons, the need for abiding by the present Constitution until after that peaceful transition has taken place, when, with the wisdom of hindsight, pros and cons might be raised concerning the relevance of the basic law.

The nation was again impressed by his repeated reassurance not to remain in power beyond the legally appointed term. His expressions were explicit and his reasoning convincing enough to clear away any skepticism and misgivings about the timetable and prospect of Korea's political development.

Unqualified endorsement should be given to President Chon's perception and readiness to make the successful hosting of the Asian Games this year and the Olympic Games in 1988 in Seoul vital turning points for catapulting Korea into the ranks of the industrialized and advanced nations. It is founded on a valid historical outlook and a realistic awareness of opportunities.

Toward that end the continued pursuit of an open-door policy and spirit of goodneighborliness was proclaimed by the President. Strengthened ties with traditional friends and expanded contact with Communist bloc nations as well as Third World members would, he said, serve to promote our trade and ensure the success of the two epochal international sports events.

Seoul's sustained efforts to improve relations with North Korea received a fresh boost in the presidential address. Mention was made of his preparedness for opening additional forums for inter-Korea dialogue provided there is an assurance of good faith on the part of Pyongyang. The Chief Executive vowed to do all in his power to pursue the paramount principles of national reconciliation leading to democratic unification.

It needs no reiteration that we have to redouble our efforts to modernize our defense capability and enhance our ability to deter war. In this regard, the President pointed out that there is a hidden danger in our desire and quest for peace that such a desire may be taken by North Koreans as a sign of weakness conducive to their objective of communizing the entire peninsula.

His timely prescription to give a shot in the arm to our economy through increased investment and creating more jobs had already been reflected in the recent shuffle of the cabinet ministers in charge of finance and economy. The State of the Nation address placed renewed emphasis on promoting small industries, venture capital, flow of technical information and vocational training -- programs all geared toward invigorating investment and employment.

Of all political and economic projections and programs presented, our particular attention is called to his philosophizing on the nature of our civic culture. Observing that a transition is apt to entail social confusion and undue impatience, President Chon expressed his concern over a growing gap in supply and demand stemming from rising expectations. He issued a pointed warning against the likely specter of frustrations stemming from unfulfilled expectations and explosive discontent which could disintegrate our society. This was coupled with the enlightened counsel that the citizenry develop a patriotic long-range perspective and exercise restraint and moderation.

President Chon talked and appealed directly to the people especially when he called on the silent majority to abandon their passivity and to stand by law and order against violent activists and demagogues. We also believe that stability and harmony based on strong social discipline are the keys to building a modern and democratic nation.

NKDP Discontent With Statement

SK170038 Seoul THE KOREA HERALD in English 17 Jan 86 p 1

[Text] The ruling Democratic Justice Party yesterday welcomed President Chon Tu-hwan's new year policy statement as "presenting the people a new hope for the future."

"The President's address planted in us a hope for and confidence in the future, and it also gave us courage and willpower to overcome difficulties facing us," said Sim Myong-po, party spokesman. Sim commented that the speech "clearly and manifestly" revealed political schedules for the latter part of Chon's reign in a "persuasive manner." There now will be no one who is skeptical or suspicious of President Chon's strong determination for the peaceful transfer of power, Shim said.

Meanwhile, Hong Sa-tok, spokesman for the main opposition New Korea Democratic Party [NKDP] expressed a regret that the speech lacked firm determination to overcome socio-economic difficulties confronting the nation.

Hong also said the President's affirmation that the matter of revising the Constitution should be dealt with after 1988 showed a "wide perception gap" on the issue between rival parties.

It is to be regretted that the policy speech was not delivered in the National Assembly, he said.

The minor opposition Korea National Party commented that the party highly estimates Chon's speech in that it reaffirmed the President's unwavering stand on the peaceful power transfer.

Party spokesman Choe Yong-an said, "Considering that many people want constitutional amendments for a direct election of President, the matter should be discussed at the Assembly."

DJP To Adhere to Statement

SK170721 Seoul YONHAP in English 0716 GMT 17 Jan 86

[Text] Seoul, Jan 17 (YONHAP) -- South Korea's ruling Democratic Justice Party (DJP) Friday decided to concentrate its efforts on setting up a tradition of peaceful transfer of government and hosting successful Olympics, both due in 1988.

The decision was made in a series of meetings of the party leaders held to discuss ways to embody president Chon Tu-hwan's new year policy statement.

No Tae-u, chairman of the government party, said the new year policy statement expressed the president's firm determination to realize the peaceful transfer of power and suggested a positive political schedule.

"We should prevent the politics from running off track because political and social stability is more necessary than any thing else to embodying President Chon's political philosophy," he said.

"For this," No continued, "the DJP should lead the national politics positively and substantially, and will not accept politics led by the opposition party."

The DJP leaders also decided to convene a special session of the national assembly in March to bring the opposition party's struggle for constitutional revision into the National Assembly.

PHOUN SIPASEUT MEETS U.S. CONGRESSIONAL GROUP

BK201252 Vientiane Domestic Service in Lao 1200 GMT 20 Jan 86

[Text] On the evening of 18 January, a U.S. congressional delegation led by Frank Murkowski, chairman of the War Veterans Committee of the Senate, made a trip to visit the LPDR. During their stay in Laos, Frank Murkowski and party paid a courtesy call on Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, and held talks with a Lao delegation led by Souban Salitthilat, deputy minister of foreign affairs, during which the two sides discussed the relations between the two countries and other issues of common interest. The meetings between the guests and the hosts proceeded in a cordial and frank atmosphere. Accompanying the U.S. delegation in paying the courtesy call on Phoun Sipaseut and in holding talks with the Lao delegation on these occasions was Frederick Shoup, assistant to the U.S. charge d'affaires to the LPDR. The U.S. congressional delegation left for home on the afternoon of 19 January.

INDOCHINESE FOREIGN MINISTERS TO MEET 'SOON'

BK201224 Vientiane Domestic Service in Lao 1215 GMT 20 Jan 86

[20 January "Press Communique" of the LPDR Foreign Affairs Ministry]

[Text] In accordance with an agreement reached by the three foreign affairs ministries, the 12th conference of the foreign affairs ministers of the LPDR, the PRK, and the SRV will be held in Vientiane soon.

PLANNING COOPERATION ACCORD WITH USSR SIGNED

BK200758 Vientiane Domestic Service in Lao 1400 GMT 19 Jan 86

[Text] On the afternoon of 14 January, the Soviet Government delegation led by Comrade Nikolai Talyzin, candidate member of the CPSU Central Committee Politburo, first vice chairman of the Council of Ministers, and chairman of the State Planning Committee, held talks and signed a protocol with the Lao side on mutual cooperation in coordinating state plans between the LPDR and the USSR between 1986 and 1990 and in future years.

HUNGARIAN GOVERNMENT DELEGATION DEPARTS

BK171532 Vientiane Domestic Service in Lao 1400 GMT 16 Jan 86

[Text] A delegation of the government of the Hungarian People's Republic led by Comrade Lajos Faluwegi, member of the Central Committee of the Hungarian Socialist Workers Party, vice chairman of the Council of Ministers, and chairman of the State Planning Commission, left Vientiane for home at noon on 16 January after concluding a 4-day official friendship visit to Laos. During the visit, the Hungarian delegation paid a courtesy call on Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers of the LPDR, and held discussions with Comrade Sali Vongkhamsao on the promotion of the cooperation plan for the next 5 years -- from 1986 to 1990 -- between the two countries. The delegation also visited some production bases in Vientiane municipality and province. Seeing the delegation off at the airport were Comrade Sali Vongkhamsao, secretary of the LPRP Central Committee, vice chairman of the Council of Ministers, and chairman of the State Planning Committee, along with many high-ranking cadres concerned. Also on hand to see the delegation at the airport was Comrade Laszlo Rosta, ambassador extraordinary and plenipotentiary of the Hungarian People's Republic to Laos.

U.S. CONGRESSIONAL DELEGATION ENDS VISIT

OW181545 Hanoi VNA in English 1522 GMT 18 Jan 86

[Text] Hanoi VNA Jan. 18 -- A delegation of the U.S. Congress led by Alaska Senator Frank H. Murkowski (R), president of the Senate Committee on Veterans' Affairs and president of the Sub-Committee on East Asian and Pacific Affairs of the Senate Foreign Committee, left here this afternoon concluding a two-day visit to Vietnam. The delegation included Senator Dennis DeConcini (D) and two Republican representatives. The delegation was cordially received by Foreign Minister Nguyen Co Thach.

Earlier, it had working sessions with Vice Minister for Foreign Affairs Hoang Bich Son. The two sides discussed the issue of Americans missing in action (MIA) in Vietnam and other matters of mutual concern. The delegation toured a crash site of US warplane during the Vietnam war, the Vietnam Museum of History and the Spring 1986 Fair in Hanoi. The American guests highly valued the humanitarian policy and good-will of Vietnam in solving the MIA issue.

INDOCHINESE FOREIGN MINISTERS TO MEET IN LAOS

OW201554 Hanoi VNA in English 1538 GMT 20 Jan 86

[Text] Hanoi VNA Jan. 20 -- The 12th regular conference of the foreign ministers of the People's Republic of Kampuchea, the Lao People's Democratic Republic and the Socialist Republic of Vietnam will soon be convened in Vientiane, capital of Laos, announces the Vietnamese Foreign Ministry today.

FOREIGN MINISTRY REJECTS THAI SEA AREAS CLAIMS

BK210036 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Jan 86

[Text] In its 22 November 1985 statement, the Foreign Ministry of Thailand claimed rights not consistent with international law over the areas of internal waters inside the base line and in the historical sea areas of Vietnam and over the airspace above these sea areas. On 21 January 1986 the SRV Foreign Ministry issued a statement rejecting the arguments and wrongful demands of the Thai side and affirming Vietnam's determination to defend its sovereignty and interests in these sea areas and airspace in accordance with international law. The statement of our Foreign Ministry was also forwarded to the UN general secretary for circulation as an official document of the United Nations.

VNA REPORTS SPK CONDEMNATION OF 'COBRA GOLD'

OW180733 Hanoi VNA in English 0713 GMT 18 Jan 86

[Text] Hanoi VNA Jan. 18 -- The Kampuchean news agency SPK has warned the Thai ruling circles that they have to bear the serious consequences of their hostility to the People's Republic of Kampuchea. In a commentary January 15 on the projected joint U.S.-Thai military exercise "Cobra Gold" close to the Kampuchean-Thai border, in Chanta Buri Province, SPK said this exercise, the first ever to be conducted so close to Kampuchea's territory, will be an unveiled threat to the Kampuchean people's peaceful labour. In conjunction with the intensification of China's armed provocations against the Vietnamese people, it will aggravate tension in the whole of Southeast Asia, the agency noted.

It continued: "Thailand, by lending a hand to Washington and Beijing, has become a pawn for hegemonism and imperialism's expansionist strategy. Its repeated violations of Kampuchea's territorial integrity show its willingness to please its patrons in return for their military support. The rulers in Bangkok should realize that they are putting Thailand's natural interests at the service of foreign forces and are instrumental to all political and military conflicts in Southeast Asia".

'RAMPANT INFLATION' LEADS TO RENEWED RATIONING

HK180704 Hong Kong AFP in English 0656 GMT 18 Jan 86

[By Laurent Maillard]

[Text] Hanoi, Jan 18 (AFP) -- Rampant inflation has forced Vietnam to bring back rationing for certain basic products five months after it scrapped the practice as part of its economic reforms, residents here say. The authorities have been using ration coupons since January 10 to limit purchases of meat, brine, sugar, soap and other items sold in state shops. Rationing for rice and petrol has never been lifted.

The rationed goods cost much less than those sold on the private market, where prices have soared since early December to seriously undercut the buying power of Vietnamese wage earners. The new rationing is apparently aimed at avoiding shortages and speculating spawned by the growing disparity in prices on state and private markets which had been more or less aligned in August, observers said.

It is also designed to stabilise the standard of living of salaried workers and guarantee that they can buy a minimum of basic products at reasonable prices. The return of rationing has not been explicitly announced in the press. But the communist party organ NHAN DAN acknowledged the next day that "employees and salaried workers are facing a lot of difficulties." It stressed in another article the need to "find appropriate sales formulas for basic products" in order to stabilise prices. It later said that officials in Ho Chi Minh City had decided to ration rice, brine, salt, soap and petrol, indicating that the list of items was fixed in each region to take into account local conditions.

The return of rationing, observers said, reflected the authorities' failure to control prices since their decision last year to reform wages and introduce supply-and-demand forces into once tightly-controlled markets. A kilo of rice on the private market now costs nearly 2-1/2 times the price it went for in early December, pork has doubled and sugar is up 30 percent. The rises have sent consumers and speculators flocking to state stores, triggering shortages which in turn lead to new price hikes in the private sector.

State stores have even started to compete with the speculators on their own terms. If a Vietnamese doesn't need his full monthly allotment of rice, for instance, he can sell it back to the state shop at a healthy profit rather than put it on the private market. The situation is equally confused for certain manufactured consumer goods, which have also risen steadily in price on the private market since the reforms were instituted.

Some state shops have followed private-sector increases for items such as televisions and bicycles. Other products such as medium-quality fabric have been sold out because of the lower prices fixed by the state. High-quality fabrics and other items have been taken off the shelves until the state shops receive official instructions, residents here said.

The price hikes have been accompanied by a near doubling in the black market exchange rates for gold and the U.S. dollar in the last six weeks, fuelling speculation of a new currency adjustment here following a currency change in September. The official press has issued two denials in two weeks, dismissing the rumours as disinformation spread by "bad elements and the enemy." But the Vietnamese remain clearly uneasy.

The NHAN DAN said last Saturday the problems were the result of "serious imbalances in the economy and errors in the application of the reforms." It called for stepped-up efforts to integrate the private markets into the state sector.

INDOCHINESE BANKING CONFERENCE OPENS IN HANOI

OW151706 Hanoi VNA in English 1532 GMT 15 Jan 86

[Text] Hanoi VNA Jan. 15 -- The third conference of the presidents of the banks of Vietnam, Laos and Kampuchea opened here this morning. The conference began discussing measures to improve and broaden the bilateral and multilateral payments among the banks of the three countries, step up their cooperation in improving the banking organization and business in each country and in training personnel, and coordinate with one another in the management of currency in border areas in each country, thus increasing the control of foreign exchange, safeguarding their own independent and sovereign monetary systems against imperialist and reactionary forces' moves of sabotage.

Also present at the opening of the conference were Tran Phuong, member of the Communist Party of Vietnam Central Committee and vice-chairman of the Council of Ministers; Lao Ambassador Khampheun Tounalom and Kampuchean Ambassador Tep Henn.

Pham Van Dong Meets Officials

OW191115 Hanoi VNA in English 0800 GMT 19 Jan 86

[Text] Hanoi VNA Jan. 18 -- Chairman of the Council of Ministers Pham Van Dong, Political Bureau member of the Communist Party of Vietnam, received here recently the presidents of the Lao [words indistinct] of the Vietnam State Bank. Speaking to his guests, Boutsabong Souvannavong and Cha Rieng, respectively presidents of the Lao State Bank and the Kampuchean People's National Bank, Chairman Pham Van Dong expressed his hope that the relations between the three banks will constantly develop in the interest of the solidarity, friendship and comprehensive cooperation among the three Indochinese countries and the cause of national construction and defence in each country.

Conference Closes

BK190325 Hanoi Domestic Service in Vietnamese 1430 GMT 18 Jan 86

[Text] After 3 days of intensive work permeated with fraternity and mutual understanding, the conference of the presidents of the banks of Vietnam, Laos, and Cambodia has concluded with fine success.

The conference reviewed the cooperation among the banks of the three countries in 1984 and 1985.

During this period the banks of Vietnam, Laos, and Cambodia satisfactorily fulfilled their obligation to cooperate with each other, especially in amending and revising a number of policies and measures concerning money, credit, and payments, and concerning cadre training and the exchanges of survey teams and students, thereby creating favorable conditions for each bank to gradually perfect its policies and organizational structure and to develop its role in the economic activities of each country.

The conference discussed and signed the minutes on bilateral and multilateral cooperation for 1986 and 1987 among the banks of the three countries. During the next 2 years, the banks of Vietnam, Laos, and Cambodia will continue to work in close coordination to satisfactorily fulfill their obligations in all fields of their relations of cooperation, thus actively contributing to implementing the program for cooperation among the three countries.

LE DUAN GREETS WORLD SCIENTIFIC ACTIVISTS

OW151019 Hanoi VNA in English 0737 GMT 15 Jan 85

[Text] Hanoi VNA Jan. 15 -- Le Duan, general secretary of the Communist Party of Vietnam Central Committee, has sent a message of greetings to the Congress of the Scientific and Cultural Activists for a Peaceful Future on Earth held in Warsaw.

The message reads: Due to the U.S.-led imperialists' bellicose policy of arms race and aggression, peace and security of nations are being seriously threatened. Your congress convened in the early days of the international year of peace is an important event, manifesting a high sense of responsibility of the world scientific and cultural workers towards peace and security and the existence and development of mankind.

Today the forces defending world peace have grown stronger than ever. The Soviet-American Geneva summit held in November 1985 shows that peace and peaceful co-existence are a strong and irresistible. The increasing solidarity and struggle of the forces of peace, national independence, democracy and socialism in our time are an invincible force to avert a nuclear holocaust and foil the imperialists and reactionary forces' policy of aggression and war provocation, in defence of world peace, national sovereignty, civilization and life on our planet.

The Vietnamese people, together with all peoples in the region are resolved to build Southeast Asia into a region of peace, stability, friendship and cooperation, and to make worthy contribution to the world people's common struggle against the danger of a nuclear war, for international peace and security. May your congress be crowned with success.

SPECIALISTS EXCHANGE PROTOCOL WITH USSR SIGNED

OW191125 Hanoi VNA in English 0802 GMT 19 Jan 86

[Text] Hanoi VNA Jan. 19 -- A protocol on the exchange of specialists between Vietnam and the Soviet Union for 1986-90 was signed here on Friday. Signatories were Hoang Trong Dai, deputy minister of foreign trade; and V.F. Mordvinov, vice-chairman of the State Committee for Foreign Economic Relations and head of the visiting Soviet economic delegation.

Earlier in the day, the Soviet guests were received by Le Khac, member of the Communist Party of Vietnam Central Committee and minister for foreign trade.

AUSTRALIA

CABINET DECIDES AGAINST IMPOSING SANCTIONS ON LIBYA

BK200858 Melbourne Overseas Service in English 0810 GMT 20 Jan 86

[From the "International Report" program moderated by (Bernadette Skue)]

[Text] Australia has now joined the list of Western nations who are not prepared at the moment to back the United States call for economic sanctions against Libya. A fortnight ago, U.S. President Mr. Ronald Reagan announced a national emergency and a ban on trade with Libya in a wake of terrorist attacks at Rome and Vienna airports. President Reagan sought international support for his action. However, as John Lombard reports from Canberra, while the Australian Labor government was sympathetic to the U.S. position, it is not prepared to go all the way on sanctions, at least not yet.

[Begin Lombard recording] The Australian Cabinet considered the issue fairly briefly at the first meeting for 1986. A statement issued later by the foreign minister, Mr. Hayden, explained the government's position. The key phrase is widespread international support. Australia, Mr. Hayden said, would be prepared to consider either partial or total international trade sanctions being effective because of widespread international support. So far, only Canada, Norway, and Italy have indicated that they will go any way with President Reagan, and that does not add up in the Labor government's tally to widespread international support.

However, there are interesting aspects to the Australian Government's position. Australia's bilateral relations with Libya are limited, with a relatively small volume of trade, 80 percent of which is in the form of live sheep exports. Imports from Libya amount to an insignificant \$1,000 [Australian dollars] worth of Arabian dates. Only a handful of Australians are employed in Libya's petroleum industry, and there is no resident Australian diplomatic mission in Tripoli. There are already some official restraints on the Australian-Libyan relationship. These include a ban on the sale of arms, careful screening of Libyan visa applications, and a limit on the staffing of what amounts to the Libyan Embassy -- the Libyan People's Bureau -- in Canberra.

But Mr. Hayden announced that the total level of official Libyan representation in Australia is now being considered.

On the trade side, the government has decided not to provide finance and insurance facility for any new Australian business with Libya outside the food and agricultural sector. This will allow the live sheep trade to continue, which is a sensitive issue in the Australian farming community. Mr. Hayden said the government had decided to review the question of study by Libyan students in Australia, and no new study places would be provided until that review has been completed.

However, on the basic issue, which brought about President Reagan's action, the Australian Government pledged full support for the fight against international terrorism. The foreign minister said cabinet had authorized him to consult other governments and report back on measures to promote and sustain long-term effort to defeat the threat of international terrorism.

The government, he added, had been monitoring Libyan activities in Australia for some time, and recently reports of Libyan connections with the Melanesian Kanaks seeking independence in New Caledonia had been raised with members of the People's Bureau in Canberra. Formally, Mr Hayden appealed to the Australian business world not to fill the void caused by the departure of Americans from Libya and the ending of business contacts between United States and Libya. [end recording]

Opposition Raps Decision

BK210705 Melbourne Overseas Service in English 0430 GMT 21 Jan 86

[Text] The federal opposition claims the government has refused to join American economic sanctions against Libya because left-wing factions of the Labor Party did not want to antagonize the Al-Qadhdhafi regime. The acting opposition leader, Mr Brown, says this was the only way to explain yesterday's cabinet decision not to support the U.S. call for a trade embargo on Libya.

The foreign affairs minister, Mr. Hayden, said after cabinet met that Australia would not take part in economic sanctions unless there was agreement among a number of other countries (?for the measures).

Mr Brown said that Canberra should have taken the initiative by encouraging other countries to organize an international trade embargo. He said it should at least have cut off government assistance to Libyan trade. Mr Brown claimed that a number of left-wing people in the Labor Party frequently traveled to Libya, and their influence was apparent in the way federal cabinet has handled the sanctions question.

Last week, the opposition stopped short of calling for a full trade embargo on Libya while the opposition leader, Mr Howard, said it could only succeed with full international support.

NEW ZEALAND

CABINET DECIDES NOT TO IMPOSE TRADE SANCTIONS ON LIBYA

HK210144 Hong Kong AFP in English 0135 GMT 21 Jan 86

[Text] Wellington, Jan 21 (AFP) -- New Zealand today refused to impose trade sanctions or any trade embargo on Libya despite a U.S. request for some action over last month's deadly terrorist attacks on Rome and Vienna airports which Washington claims were sanctioned by Colonel Mu'ammar Qadhdhafi's Tripoli regime.

But New Zealand Prime Minister David Lange did pledge that his country would make "no moves to render ineffective some other country's sanctions." Mr Lange, speaking to journalists after the first cabinet meeting of the year, said U.S. President Ronald Reagan had asked for no specific action from New Zealand since "he knew our trade with Libya was nil." "It would have been trite indeed for New Zealand to impose sanctions when we manifestly have nothing to sanction," he said.

Mr Lange also said an open threat by Iran to cut trade ties with New Zealand if it imposed sanctions on Libya "was not considered at all" by the cabinet during its discussion of the Libyan issue.

MARCOS CONTINUES CAMPAIGN IN MINDORO, BOHOL

Calapan Speech

HK191000 Quezon City Maharlika Broadcasting System in Tagalog 0405 GMT 18 Jan 86

[Speech by Philippine President Ferdinand Marcos at an election rally in Calapan, Mindoro Oriental -- live; broadcast in progress -- CAPITALIZED passages spoken in English]

[Text] I WAS 47 YEARS OLD WHEN I FIRST RAN FOR PRESIDENT IN 1965. MINDORO ORIENTAL WAS ONE OF THE PROVINCES WHICH GAVE ME A STRAIGHT MAJORITY THEN. [faint applause] AGAIN, IN 1969, I CAME BEFORE YOU AS A CANDIDATE BUT ALSO AS PRESIDENT. MY OPPONENT THEN WAS THE LATE OSMENA. Your humble servant was only 51 years old at that time. [passage indistinct] Again, during the plebiscite of 1976, the question was: Do you want Marcos to continue as president under martial law? Or if there are any other names you want, write them in. And you named me in more than 90 percent of the votes. In 1981, I campaigned once more as president and you elected me to this office.

It is not easy to thank you. [Passage indistinct]. IN 10 YEARS' TIME, FROM 1975 TO 1985, I EXTENDED TO YOU, MINDORO ORIENTAL, THE TOTAL AMOUNT OF NATIONAL FUND OF 643 MILLION PESOS. FOR MINDORO ORIENTAL ALONE. [Passage indistinct].

My running, mate, Turing Tolentino, was the class valedictorian in 1931. [Passage indistinct] I asked around: Who could be able to take the reins immediately or will continue our work in running the government should, God forbid, something happen to me? [Passage indistinct].

The foreign newsmen reported that I fainted in Dagupan. Actually, my hand was scratched by children of my fallen soldiers. [program interrupted by regular program for some approximately 8 minutes]

My left knee was hit by shrapnel, the bones broke, THE NERVES WERE ALSO AFFECTED, AND THE TENDONS TORN. [Announcer indicates another interruption and questions what line is being used; music follows]

[Marcos speech resumes] You said to me: You are the guardian and sentinel in defense of the peace and progress of our Republic. Perform that duty with all your intelligence, courage, and conviction as a soldier. If you detect danger, you should be the first to sound the alarm and waken the entire Filipino nation. Cry out: Danger, danger!

These last few days, I am facing you not only as candidate but also as president of the Republic of the Philippines whom you entrusted as guardian, sentinel, and watcher of the entire country. I detect that a great danger lurks ahead of us, hence, I am crying out. Hence, I called for an election even before my term expires, because while there is still time, WHILE WE STILL HAVE THE OPPORTUNITY, I, AS YOUR PRESIDENT, MUST GIVE THE PEOPLE A CHANCE TO WIPE OUT THIS THING, ELIMINATE THIS OBSTACLE TO OUR BRIGHT FUTURE, AND SPEAK OUT.

What we ask from you is not your life. I come to you like when I TALKED TO YOU DURING THE WAY, WHEN I ASKED YOU TO LAY DOWN LIVES IF NECESSARY, ALL YOUR POSSESSIONS, AND THE MOST VALUABLE OF ALL, YOUR SACRED HONOR. I ASKED YOU THEN TO SACRIFICE. TODAY I COME TO YOU. I ask not for your life nor your possessions nor the most valuable of all, honor. No. WE ASK YOU, HOWEVER, TO NOTE THIS GROWING DARK CLOUD OF DANGER THAT LOOMS AHEAD OF US AND WHICH I CAN SEE CLEARLY FROM THE HIGH POSITION IN WHICH YOU HAVE PLACED ME AS PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES.

WE HAVE FOUGHT THIS DANGER REPEATEDLY IN THE PAST, WHEN I FIRST BECAME PRESIDENT IN 1965 and 1969. THE OLD COMMUNIST PARTY HAD SURRENDERED TO MAGSAYSAY THEN THEY SO CAUGHT THE ENTIRE POLITBURO IN 1950, 1954. WHEN I BECAME PRESIDENT, I WAS HONORED WITH THE ENTIRE SURRENDER OF THE PKP [Partido Komunista Ng Philipinas -- Philippine Communist Party] HEADED AT THE TIME BY LAVA AND TARUC. THEY SURRENDERED TO ME IN MARCH WITH ALL THEIR ARMS IN OPEN FIELDS OF NUEVA VIZCAYA IN 1974. I HAVE APPOINTED ONE OF THEIR LEADERS, LUIS TARUC, AS A MEMBER OF PARLIAMENT. HE REPRESENTS THE HUKBALAHAP [Hukbo ng Bayan Laban sa Hapon -- People's Army Against Japan], THE OLD HUKBALAHAP WHO FOUGHT BESIDE US DURING THE WAR. I FOUGHT SEVERAL BATTLES BESIDES THE HUKBALAHAP AGAINST A COMMON ENEMY. LUIS TARUC WAS ONE OF MY FRIENDS DURING THAT PERIOD. I RECOGNIZE THE DEDICATED SERVICES OF THE HUKBALAHAP IN FIGHTING A COMMON ENEMY, BUT NOT AFTER THAT.

HOWEVER, AFTER THE SURRENDER OF THE HUKBALAHAP OR THE OLD PKP, A YOUNG GROUP HEADED BY JOSE MARIA SISON, WHO IS NOW IN JAIL AFTER HIS CAPTURE ALONG WITH THE HIGHEST COMMANDER OF THE NPA, COMMANDER DANTE, ALIAS BERNABE BUSCAYNO. THEY ARE BOTH IN JAIL -- THEY ORGANIZED IN HACIENDA LUISITA -- I HOPE YOU REMEMBER THE NAME, THE HACIENDA OF MY OPPONENT, THE BIGGEST HACIENDA IN THE ENTIRE LUZON AREA AS OF NOW. IN HACIENDA LUISITA, NINOY AQUINO HELPED TO ORGANIZE THE NEW COMMUNIST PARTY OF THE PHILIPPINES. WHAT IS THE EVIDENCE OF THIS? ALTHOUGH THE OPPOSITION DENIES IT, COMMANDER PUSA, ONE OF THEIR MOST COURAGEOUS COMMANDERS OF THE NPA, AND COMMANDER MELODY, ANOTHER STRONG CHARACTER AND, UH, OUTSTANDING COMMANDER OF THE NPA, BOTH TOLD ME THAT THEY ORGANIZED THE COMMUNIST PARTY OF THE PHILIPPINES WITH THE HELP OF NINOY AQUINO. THEY TESTIFIED TO THIS EFFECT, ALTHOUGH TESTIFYING, THEY WERE KILLED UNDER SUSPICIOUS CIRCUMSTANCES.

COMMANDER PUSA WAS AMBUSHED ALONG THE CAPAS NATIONAL HIGHWAY IN TARLAC. COMMANDER MELODY WAS KILLED IN A BAR BY MEN IN UNIFORM, ALTHOUGH THEY WERE NOT MEMBERS OF THE ARMED FORCES OF THE PHILIPPINES. ANYWAY, THE REASON I SPEAK OF THIS IS BECAUSE THEY KEEP IGNORING THE QUESTION WHO HELPED ORGANIZE AND WANTED TO REORGANIZE THE NEW COMMUNIST PARTY IN THE PHILIPPINES. DON'T TELL ME THAT THE WIDOW DOES NOT KNOW THAT NINOY AQUINO HELPED IN THE ORGANIZATION, THE RAID ON THE PHILIPPINE MILITARY ACADEMY BY COMMANDER PUSA. COMMANDER PUSA TESTIFIED IN OPEN COURT THAT HIS RAID WAS FINANCED AND PLANNED BY NINOY AQUINO. SOME OF OUR MEN WERE KILLED. THEY STOLE FIREARMS FROM THE PHILIPPINE MILITARY ACADEMY. AND COMMANDER MELODY TESTIFIED THAT IT WAS NINOY AQUINO WHO ORDERED THE KILLING OF THE HEAD OF THE BARrio CAPTAIN IN HACIENDA LUISITA, THE CHAIRMAN OF THE BARANGAY CAPTAINS GROUP. WHY WAS HE KILLED? BECAUSE HE WAS GOING TO ASK FOR, AND ON BEHALF OF THE TENANTS, FOR JUST A SMALL HOME LOT FOR THEM. Just a small piece of land for their houses. But they refused persistently because according to him, they were not tenants. They are squatters, therefore they are not entitled to put their houses on the hacienda. He instructed Melody to kill him, but Commander Melody refused. He said: Why do we want to kill our fellow man? So he was sent away by Ninoy. It turned out that the son of Barangay Captain Sumat was hiding and witnessed all this. He testified and said: I was hiding and I heard everything. My father was killed. It was not Commander Melody who did it, but Commander Cruz who shot my father in the head. Commander Melody saw me outside and said to me: Do not worry, my child. We will get even.

When Ninoy Aquino died at the Manila International Airport, Commander Melody returned to the boy and said: Now we have gotten even. If you listen to all this, does it not prove that Ninoy Aquino and his relatives at Hacienda Luisita were aware of all the evil goings-on? Does it not prove that they are close to the communists? Other testimonies, which I will not mention here, were shown to me, demonstrating that they are really close to the NPAs. I was in Pangasinan the other day. There, my headquarters in the mountains is occupied by the NPA -- the old headquarters of (Balbalguer), the place known in the time of the Japanese occupation as (?Marcos tide), and all that is west of Bugallion is under attack. In one operation, 3 were killed and 12 were captured. The captured NPA admitted that they were campaigning for our opponents. They were telling the people: If you vote for Marcos-Tolentino, we will come back here and liquidate the entire town population.

So, my friends, I cannot but fear that in this election, our people have only one choice: to unite as one and use our right to vote in the February 7 elections.

They should not deny that the NPA and the Communist Party are on their side. They should not deny it because we have many documents on hand, sworn statements signed by their former colleagues.

Likewise, our opponents play and joke with important affairs such as justice and dignity. Nur Misuari mentioned that he had an agreement with Butz Aquino. We have documents and proof that it was not only with Butz Aquino that an agreement has been made. BECAUSE AN ORIGINAL AGREEMENT REACHED WITH NINOY AQUINO IN DAMASCUS IN 1981 THAT, WITH THE HELP OF THE MNLF AND THE NPA, THEY WOULD MAKE PREPARATIONS IN THE OPERATION JUNE BRIDE, AS TESTIFIED BY ONE OF THE RIGHT HAND MEN OF NUR MISUARI, NUR KHAN. WE HAVE OTHER SWORN STATEMENTS BY OTHERS WHO ARE JUST AS CLOSE TO NUR MISUARI. WE ARE WAITING FOR THE OPPORTUNITY TO BRING THEM OUT.

NUR KHAN AND THE OTHERS TESTIFIED THAT IN EARLY FEBRUARY OF 1981, THERE WAS ALREADY AN AGREEMENT BETWEEN THE OPPOSITION UNDER NINOY AQUINO AND NUR MISUARI THAT NINOY AQUINO, IF HE WINS OR THE OPPOSITION WINS, WILL RECOGNIZE A NEW MUSLIM STATE AND THIS NEW MUSLIM STATE WILL INCLUDE THE TERRITORIES OF THE PHILIPPINES, INCLUDING PALAWAN, MINDANAO, BASILAN, SULU, TAWITAWI, AND THE STATE OF SABAH OF MALAYSIA. SO, INSTEAD OF HELPING THE POOR PEOPLE AND THE TENANT, IS THIS THEIR WAY OF SHOWING THEIR SUPPORT FOR THE POOR PEOPLE? IS THE KILLING OF BARANGAY CAPTAIN SUMAT, WHO WAS THE LEADER OF THE TENANTS IN HACIENDA LUISITA, PROOF OF THEIR CONCERN FOR THE LANDLESS LOT? IS THIS THE, UH, [words indistinct] THAT IF THEY COME TO POWER, THEY WILL IMPROVE UPON OUR LAND REFORM PROGRAM? WHY HAVE THEY NOT PLACED HACIENDA LUISITA UNDER LAND REFORM? ISN'T THIS THE HIGHEST KIND OF HYPOCRISY? WASN'T IT ONE OF THE CONDITIONS WHEN THEY BORROWED MONEY FROM THE GOVERNMENT UNDER PRESIDENTS MACAPAGAL AND GARCIA, WHEN THEY BORROWED DOLLARS FROM THE CENTRAL BANK, ONE OF THE SPECIFIC CONDITIONS OF THE LOAN WAS THEY WOULD DIVIDE THE PROPERTY FOR THE LAND REFORM, FOR THE TENANTS? HAVE THEY DONE THAT? UP TO NOW, THEY HAVE BEEN FIGHTING THE AGRARIAN REFORM. I SAY: THIS IS THE HIGHEST FORM OF HYPOCRISY. PERHAPS THEY ARE USED TO HYPOCRISY, NOT SINCERITY AS THEY CLAIMED.

BUT MORE THAN THIS IS THE IDEA THAT THEY CAN DO THIS OPENLY TO OUR PEOPLE. THEY THINK THAT THEY ARE CAPABLE OF GETTING AWAY WITH IT. AND I SAY: FILIPINO PEOPLE ARE NO LONGER THE ILLITERATES THAT YOU DEALT WITH A LONG TIME AGO. WE'VE LIBERATED THE FILIPINOS FROM INDIFFERENT, UNCOMMITTED, AND RESIGNED DESPERATE HOPELESSNESS. NOW WE HAVE GIVEN HIM IDENTITY. HE IS A FILIPINO. WE HAVE GIVEN HIM DIGNITY. HE IS NOW A MAN WHO EMPLOYS HIS TALENTS. Therefore, he stands proud before the world and says: I am a Filipino and I am the equal of everyone in this world. AND THIS, MY FRIEND, YOU CAN NEVER TAKE AWAY, WHATEVER HAPPENS. The Filipino will not allow his identity and honor to be taken away.

Friends, we will not mention the other things they say. However, do you not find them funny and shameless when they face you? I am embarrassed that Filipinos like them could face fellow Filipinos and tell lies. Lies and refutations should not be uttered. It is degrading our politics. This is the first time I have heard speeches which did nothing but curse so dirtily. Is that worthy of a dignified Filipino? You want to be president, but when foreign journalists ask: What are you going to do with Marcos should you triumph? You answer: I will have Marcos arrested and imprisoned. Is that their intention?

A GOVERNMENT THAT IS BASED ON VINDICTIVENESS OR PERSONAL VENGEANCE IS NOT A GOVERNMENT WORTHY OF A DIGNIFIED RACE LIKE THE FILIPINO PEOPLE. Let us not allow our nation to degenerate.

Likewise, I am worried by their playing and treating so lightly the future of our country. Not only that, they play with it and they are the ones laughing. They wear a smile as if the interest of the country means nothing. Then they shamelessly face us and pronounce themselves well-informed. At first they said: We have no government program. Now her 50 ghost presidents taught her how to write. She read her speech which was copied from the KBL program of government. She even drew up an outline. Then they said that it is their program.

Well, who knows how to implement that program if not those who began the program? WHEN SHE WAS CORNERED, SHE HAD TO ADMIT THAT THIS PROGRAM THAT SHE HAD SUPPOSEDLY UNWRAPPED BEFORE THE MAKATI BUSINESSMEN'S CLUB WAS NOTHING BUT A PROGRAM TAKEN FROM THE PROGRAM OF PRESIDENT MARCOS.

Nevertheless, she was not serious. She said that Marcos never implemented the programs. Well, who introduced land reform? What are they going to do with the Communists at their side? They will let the Communists take part in the government. Do you not know that the Communists believe that nobody may have any kind of possessions? The land I have given you will be taken away. Your land titles will be confiscated. All your land will be taken away by the government. You who have trucks, jeepneys, all of them will be taken by the government if the Communists are running it. You will not be able to move around freely. You will not be allowed to move residence unless approved by the government.

My friends, I am worried, for I have seen all evidence that not only do they lack experience, they mislead themselves as well as the people, and they are capable of playing and joking with the interests and future of the entire Filipino nation. This is the worst problem.

I DON'T KNOW WHICH IS MORE DANGEROUS -- FIGHTING THE NPA OR FIGHTING THESE PEOPLE IN THE OPPOSITION WHO THINK VERY LIGHTLY OF WORKING OUT A WISE, PRUDENT, AND EFFECTIVE PROGRAM OF GOVERNMENT, AND WHO STILL BELIEVE THAT THEY CAN OPERATE THE GOVERNMENT WITHOUT SUCH A PROGRAM. I DON'T KNOW WHICH IS MORE DANGEROUS. EITHER WAY YOU GO, YOU END UP IN CIVIL WAR. YOU SPEAK OF BRINGING IN THE COMMUNISTS OR ALLOWING THE COMMUNISTS TO JOIN INTO THE GOVERNMENT, THEN YOU SPEAK OF THE EXPERIENCE OF INDONESIA.

Think of what happened in Indonesia. President Sukarno allowed the Communist cabinet members and generals into the government. When the Communists thought that they were strong enough, they staged an uprising. They killed noncommunist generals and cabinet members except for two: President Suharto, who was a general then in command of the Strategic Command of Indonesia, and secretary of National Defense Nasution, whose son was killed.

BETWEEN THE TWO OF THEM, THEY MOUNTED A COUNTERATTACK USING THE 21 DIVISIONS UNDER GENERAL (ALJAS) AND A CIVIL WAR BROKE OUT. HOW MANY OF THE PEOPLE OF INDONESIA DIED IN THAT CIVIL WAR? WHO DIED? Some 700,000 to 1 million died, and the majority of them were civilians like you and me. They had no weapons. What could they fight with? The same will happen here if we allow the opposition to take over the highest authority in the land. We must not let this happen while there is still time and the opportunity. Let us all unite so that we need no weapons to fight that danger. We do not need other weapons. Use the Marcos-Tolentino KBL team against them.

We are ready to fight the battles all over again, even though we are not used to killing people. Their advertisement says: Twenty years of killing. Enough. Now, my question, ALL I ASK IS: HAVE I KILLED ANY OF YOU IN THE POLITICAL OPPOSITION? DO I HAVE ANY POLITICAL PRISONER IN JAIL NOW? NONE. NO ONE OF THEM WAS EVER EXECUTED. WHO WAS THE ONLY ONE EXECUTED UNDER MARTIAL LAW? UNDER THE POWERS OF THE PRESIDENT? ONLY ONE. WHO? A CHINESE BY THE NAME OF LIM SENG. WHAT DID HE DO? HE WAS A MANUFACTURER OF HEROIN AND HE BRAGGED ABOUT DESTROYING 10,000 YOUNG LIVES IN OUR SOCIETY COMING FROM THE UPPER STRATA OF SOCIETY. SO I ORDERED HIM EXECUTED AFTER A TRIAL. HE WAS EXECUTED BY A FIRING SQUAD. HE WAS THE ONLY ONE WHO WAS EVER KILLED. THAT ADVERTISEMENT SAYS 20 YEARS OF KILLING.

YES, OF COURSE, NINOY AQUINO WAS CONDEMNED TO DEATH. WE HAVEN'T EXECUTED HIM YET. WE COULD HAVE EXECUTED HIM LEGALLY, BUT DID WE? NO. WHEN HE GOT SICK, INSTEAD OF EXECUTING HIM, WE ALLOWED HIM TO GO TO THE UNITED STATES TO HAVE A BYPASS OPERATION. WHEN HE WAS IN THE U.S., HE DID ALL KINDS OF CRIMES. HE WENT TO NICARAGUA AND STUDIED THE GUERRILLA FIGHTING RULES, [passage indistinct]. HE EVEN WENT TO MALAYSIA. HE WENT TO 30 [words indistinct]. AND IN DAMASCUS, HE ENTERED INTO THE NOW NOTORIOUS AGREEMENT WITH NUR MISUARI THAT HE WOULD GIVE AWAY PALAWAN, MINDANAO, BASILAN, SULU AND TAWITAWI, WITH SABAH, TO FORM A NEW MUSLIM STATE. HE PROMISED HE WOULD RECOGNIZE IT.

NOW, ALL THESE STATEMENTS ABOUT 20 YEARS OF KILLING. WHO DID ALL THESE THINGS? THE COMMUNISTS. MORE THAN 10,000 CIVILIANS WERE KILLED IN 1 YEAR ALONE BY THE NEW PEOPLE'S ARMY, AND THEY HAVE NEVER [passage indistinct].

They are transferring their own deceits onto our heads. Twenty years of killing committed by the NPA and the PKP. We should not bestow our votes on them. On 7 February, vote for your guardians -- Marcos and Tolentino. Marcos and Tolentino are your sentinels, watchers, and soldiers. We are your weapons. It is already one o'clock. Whenever I am before so many people, especially with beautiful lasses, I forget the time.

This building looks like you haven't received the things I sent from Manila. [cheers] Let us build it now. I GIVE YOU A 12-ROOM BUILDING COSTING 1.6 MILLION PESOS. Let us not mention this. Let us only mention the new things that will come as a Valentine's gift to you. [applause]

You have not seen everything yet. If we triumph again, you will receive a precious gift from me. [applause] We will lower the power rates and complete the minihydropower plant.

On 7 February when you go to the precincts, ask your conscience: What am I voting for? Am I voting for the welfare of the entire nation as well as for my own welfare? If you wish to get into bloody fighting, vote for the opposition, because the Communists are with them too. If you want peace, vote the Marcos-Tolentino team.

I thank you all. I hope that you will tell all who were not able to come here what I have told you. Tell them that I beseech each and every Filipino not to let our dignity and independence and justice be taken away. We should demonstrate that Filipinos can no longer be fooled and they they will not let go of independence without a fight. Our cry to them is: Fight! Fight against whoever wants to take away our rights. Never forget that the Marcos-Tolentino team is your weapon. Thank you very much and pray that we will win. Not only the Marcos-Tolentino KBL will win, but all of you, all of us. Let us blow away this dark cloud looming over us, and we will attain the true peace and progress of our country. Thank you very much. Long live Calapan! Long live Mindoro Oriental! Long live the KBL! Long live the Marcos-Tolentino team! Long live all of you!

San Jose Speech

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[Address of Philippine President Ferdinand Marcos at an election rally in San Jose, Mindoro Occidental -- live; broadcast in progress -- capitalized passages spoken in English]

[Text] Thank you very much, Governor and Mrs Villarosa, mayors and officials of the consultative bodies, especially mayor of San Jose who is an Ilocano like me. I heard that there are Ilocanos here, right? [cheers]

Distinguished guests: [Passage in Ilocano].

Now in Tagalog. I am extremely elated to see this large crowd and to see your sweet and smiling faces, especially of the ladies. You show your warmth to your humble servant. [Passage in Ilocano]. I am a small bird you have nurtured to grow in the political arena, because you first elected me to the presidency of the Philippines in 1965 when I was only 47 years old. You repeated your support in 1969, and then in the referendum and plebiscites of 1976 when you were asked if you wanted Marcos to continue as president under martial law, your answer was: We want Marcos. Similarly, in 1981, I campaigned for president and you offered me your support for the highest authority in the country -- president of the Philippines.

I now face you not only as candidate but also as president of the Republic of the Philippines. [applause] [Passage in Ilocano]. Hence, I face you not only as a candidate for the next election, but as president, on whose shoulders lay heavy responsibility.

As president of our Republic, you said to me: You, a former soldier of the Republic, you who shed blood on the battlefields in order to help the Republic and restore true independence, justice, and dignity, you are once more the guardian, sentinel, and watcher of the Philippines. [applause] That is why I face you not only as candidate for the February elections, but as the president who answers your call for duty. What is that duty? You -- guardian, sentinel, and watcher of the Republic of the Philippines -- will take care of the peace and security of the country; you who have been bestowed the highest authority in the land, will tell the nation what has been going on in the country. We elected you president because you have solved many problems for many years and you know what is going on in the country. You have joined the revolution. You thrice wiped out enemies of the country. Never forget our aspirations and never allow the enemies to return and take away our independence, justice, and dignity.

Your command to me is: As president of the country, you should be the first to detect dangers to the nation and to shout caution to one and all in your capacity as guardian of the Republic. You should be the first to warn the Filipinos, caution them, and explain to them the situation in the country. That is your great responsibility and you should use all your intelligence and courage to fulfill the task. You are the ears and voice of the Filipino nation.

Hence, I have come here not only to debate with my opponent, but to make a report to you. What is the situation in the country? As your guardian and higher authority, let me tell you what is going on in all corners of the land. What can I tell the country? My answer: I have announced the holding of snap elections without finishing my term so that our people will be awakened and be aware that we need to unite once more, because new danger lies ahead of us. Citizens, wake up while there is still time and a chance.

I passed by here during the war period while returning from Mindanao. I BROUGHT BACK ALL THE EQUIPMENT NECESSARY FOR THE GUERRILLA WARFARE FROM SUBMARINES THAT I MET IN MINDANAO. WHEN I SPOKE BEFORE SOME OF YOU, WHEN I ASKED YOU TO SUPPORT THE GUERRILLA MOVEMENT, I ASKED FOR YOUR LIVES. I SAID TO YOU: IN YOUR VEINS RUN THE BLOOD OF THE HEROES OF THE COUNTRY. Now I come before you once more as a small soldier. And as a soldier of the Philippines, I shout once more: Wake up! Fight the danger! However, I do not ask for your lives nor possessions nor dignity. I ask from you: While there is still time and we have the opportunity and the power, let us see our sacred right to vote in the coming elections. [applause]

What happened in Indonesia when they let the communists into the government? According to the opposition, they will not help the communists although they said so previously.

I was in Pangasinan the other day. Is there anyone from Pangasinan here? [Passage in Ilocano].

You know, many of my comrades in the 21st Division came from that commander's unit. Later on, during the guerrilla war, with all the Americans in (?Iloilo), like Latham, [word indistinct]; later on, General (?Goldman). Many died, with three from Pangasinan killed. Many of our dead are buried in a grave of the unknown soldier. Hence, when I was in Pangasinan, I REALIZED MANY OF THE YOUNG MEN AND WOMEN WERE CRYING. WHY DO YOU CRY, MY CHILD? WE ARE CRYING BECAUSE WE ARE ALREADY CHILDREN OF YOUR SOLDIERS. WE CRY FOR OUR FATHERS WHO DIED IN BATTLE UNDER YOUR COMMAND. They cried on and I also cried. What can I do?

So I told them a story: The other day, all guerrilla leaders, including myself, went to the tomb of the unknown soldier. My father was also killed by the Japanese and I never recovered his body. Laying a wreath on the tomb of the unknown soldier was like laying one on the tomb of my father. And I said in Pangasinan: I also felt like I was laying a wreath on the tomb of your fathers, sons, husbands, and brothers who never returned from the battles of Villafuerte, of (?Balbaguer), and battles on the entire Cordillerash from Ifugao to Benguet and to Kalinga-Apayao. We never recovered their bodies, thus I could only commemorate them at the tomb of the unknown soldier. Therefore, when people crowded me there, I let them. I know why children of my soldiers cried.

Similarly, when I came to Mindoro, MANY OF YOU HELPED. YOU DID NOT KNOW WHO FERDINAND MARCOS WAS. YOU DID NOT KNOW WHO WAS THIS YOUNG OFFICER. YOU PROBABLY HEARD THAT HE WAS A MAJOR. YOU DID NOT KNOW WHO MAJOR MARCOS WAS, BUT YOU HELPED HIM BECAUSE HE WAS A SOLDIER OF THE REPUBLIC OF THE PHILIPPINES. I can see the young men and women, most of whom were not yet born during the wartime. I remind you: In your veins run the blood of heroes who struggled and sacrificed their lives so that we may attain the true independence of our country. [applause]

Whatever happens, do not forfeit nor give away this heritage of yours. This heritage of courage and dignity of a Filipino. You must say proudly: I am a Filipino and I stand proud before anyone because I am a Filipino. [applause]

My friends, they say that Marcos did nothing for 20 years. Here in Mindoro Occidental and Oriental, what the Marcos administration has done is monumental. I can see a piece of paper from Member of Parliament Mendiola. You know, when I proclaimed land reform, nobody had to give me a paper with their request written on it. Those who never ask are the ones who receive more. Your children who are grown up and standing on their own feet, well, you do not help them much anymore. You help those who are sulking in the corner and crying, those who cannot fend for themselves; they are the ones you help. What's the name? Go on, hold on to your paper.

I heard that you had a bumper harvest, but that you still have many needs. You are like a baby who, in spite of having reaped a bumper harvest... [changes thought] You are short of warehouses. Shall I give in to them?

My friends, um, it is four o'clock now. [Passage indistinct]. Well, you were here since ten o'clock. [Noises and passage indistinct]. Vice Presidential Candidate Arturo Tolentino has not spoken yet. I shall go on and proceed to the house of ex-Mayor Juan Santos, a colleague in previous political battles. [applause]

I repeat: The requests made by Member of Parliament Mendiola [words drowned out by applause and cheers]. We don't talk about it anymore. [Passage in Ilocano].

Your requests are worth millions and millions, and what I will grant you is worth millions. Actually, Oriental Mindoro enjoys an edge.

After all, who proclaimed Mindoro Oriental and Occidental as regional development areas? Marcos. [applause] Then our opponents say that Marcos has done nothing. They are blind. Well, you cannot wake those who are sleeping. What is worse is that they are playing and joking with our interests. Is that worthy of an intelligent candidate who aspires to be president? When asked by foreign journalist what their government program is, there answer is: I have no government program. What I offer the people is honesty and sincerity.

Let us see if they are honest. They said that they will help the small farmers, yet how come they have not yet instituted agrarian reform in their hacienda, which is the biggest in all Luzon? Why do they not do it? Not only do they not do it, but they have even murdered the head of the tenants. Why did I say murdered? Because that was the testimony of captured NPA's who testified against Ninoy Aquino. They were Commander Pusa and Commander Melody, as well as the son of the Barangay Captain Sumat. He was the head of the 21 barangay captains in Hacienda Luisita, which is 6,000 hectares owned by the Aquinos and the Cojuangco.

The poor tenants were not asking that the hacienda be divided, but simply that they be given a small piece of land for their houses. What would that be? One or half of hectare? Two hundred, two thousand square meters to be given to our few tenants. When Barangay Captain Sumat insisted, they had him killed. Who are the witnesses? Commander Melody and the son of Barangay Captain Sumat who heard Ninoy Aquino give the orders to Commander Melody. However, Commander Melody refused, saying: Why are we going to kill our fellow man? We are all poor. So Ninoy Aquino ordered Commander Melody out and told Commander Cruz: You do it. Sumat was shot in the head. Commander Melody was angry, and seeing the son of Barangay Captain Sumat in hiding, he said: Do not worry, my child. We will get even. It turned out that the brother of Commander Melody was also killed for refusing to obey orders to kill.

According to Commander Melody, there were many killed at Hacienda Luisita. It was true. When they conducted diggings at the Hacienda, they found many bodies buried there. A jeepney loaded with people. A volkswagen with some eight passengers. All buried together.

Is that one who will help you? Is that honesty? Sincerity. Is that frankness or deception?

Do not tell me that when Jose Maria Sison said [words indistinct] [changes thought] Well, the PKP, Partido Kommunista ng Pilipinas, surrendered to me in Aliaqa, Nueva Ecija, in 1974, together with their arms. Thousands surrendered. Their leaders, including Lava, Taruc, and others, after their surrender in 1974, [changes thought] my aides write down all the promises I have made because they are like pledges to the entire nation. Jose Maria Sison established a new Communist Party of the Philippines, Beijing oriented. [as heard] Where did they set it up? Hacienda Luisita, together with Ninoy Aquino. Who gave arms? Ninoy Aquino. Who provided funds? Ninoy Aquino. Who set up a hospital for wounded men of the NPA? Ninoy Aquino. Who among his relatives living there could have knowledge of where the NPA men are being treated? Do not tell me that you are not aware that NPA's are being taken care of in your house? Well, that is nonsense. It is false. It is not honesty.

Similarly, when the NPA was set up in March, 1969, who set it up? Commander Dante Alias Bernabe Buscayno. What did they tell me? They told me that Ninoy Aquino helped them. According to Commander Pusa, who was their most courageous and fiercest commander, Ninoy was the brains. Ninoy met us in his house in Hacienda Luisita in Tarlac. They nursed our wounded men. Do not tell me that they were being taken care of in your house and you are not aware of it, that they were partners of Ninoy? That is hard to believe.

Thus, whenever she says she knows nothing about this matter, which she has not yet said as of now, she is not denying it, because she will be refuted by the many documents we have. [Announcer indicates a communications breakdown and says resumption of coverage in San Jose, Occidental Mindoro is awaited; music follows.]

[Marcos speech resumes] According to relatives of Commander Pusa who were also commanders in the NPA, everybody shouted: Finally, we got even. They were all told that that we would get even, said the cousins of Commander Pusa. COMMANDER MELODY WAS KILLED UNDER SUSPICIOUS CIRCUMSTANCES BY SOMEBODY IN MILITARY UNIFORM, AND YET THIS MAN WAS NOT A MILITARY MAN. THE SAME WAS TRUE WITH (NOLI COLLANTES). THIRTEEN HOURS AFTER HE SIGNED AN AFFIDAVIT AGAINST NINOY AQUINO, HE WAS SHOT RIGHT AT NOONTIME IN FRONT OF SANTO TOMAS BY AN UNKNOWN GUNMAN. That is the record of my opponent. Is that one who can be trusted?

Then they advertised in the papers: 20 years of killing is enough. Marcos is finished. Did we kill our political opponents? None. Who was killed? NOT A POLITICIAN BUT A CHINESE WHO WAS MANUFACTURING HEROIN. DO YOU KNOW WHAT HEROIN IS? SO, NO ONE HERE USES HEROIN, LEST OUR YOUTH BE DESTROYED. HOWEVER, THIS CHINESE BOASTED THAT HE DESTROYED 10,000 OF THE YOUTH OF THE PHILIPPINES, ALL OF WHOM WERE RICH. WELL, I HAD HIM TRIED BEFORE THE COURTS AND HE WAS CONDEMNED TO DIE BY A FIRING SQUAD. I ORDERED THE EXECUTION BE DONE IN FRONT OF FORT BONIFACIO SO THAT WE CAN SHOW DRUG PUSHERS AND USERS. HE WAS THE ONLY ONE TO DIE UNDER THE MARCOS ADMINISTRATION. NO ONE DIED BECAUSE OF HIS POLITICAL VIEWS. AS LONG AS HE DOES NOT COMMIT A CRIME UNDER THE REVISED PENAL CODE, HE IS NOT ARRESTED. HOW MANY TIMES HAS THE KMU, THE KILUSANG MAYO UNO [May 1 Movement], CONDUCTED DEMONSTRATIONS AND HURT OUR OWN SECURITY WITHOUT BEING STOPPED? We did not stop them. Is that what they call absence of freedom? What about the shoutings? Have you heard their insults against me and the first lady? Even against the poor, beautiful first lady?

When my father was still alive, he told me: DO NOT EVER ARGUE WITH A WOMAN. DON'T EVER LIFT YOUR HAND AGAINST WOMAN, because it means that you are now the woman and she, the man, and you have lost your honor. AND SO, I AM SURPRISED AT THE HYPOCRISY.

However, that is not where the danger lies. The danger lies in what they are playing with -- the interest of the Filipino nation. Ask them: What is your program for advancing the interests of the Filipino nation? None, we have no government program. Later they came up with one and read it before the Makati Businessmen's Club. Well, I noticed that they copied the Marcos programs. I said: That is not the program of the opposition, but of the administration and of Marcos. Well, they replied that the programs are the same, but the difference is that Marcos did not implement them and they will. The question is then: How are they going to implement them? No answer. They keep quiet and say nothing. However, they take matters lightly, matters on peace and the progress of the country. That is the big danger. The danger that they treat matters like children's toys. It means that they have not grown up in their hearts and minds in order to be able to serve as president of the Philippines.

It also means that they are playing with -- what did Turing Tolentino say? -- flirting with the NPA. Think about it, flirting with murderers? Why, that could be catastrophic. That is no joking matter. It is a big danger. They are like children playing with the nation's interests.

Therefore, while there is still time and the opportunity, all of us should unite and divert that danger. Your weapon is not a gun; your weapon is the KBL and the Marcos-Tolentino team. Vote the Marcos-Tolentino team. Do not allow these people to get their way.

They say that they have nothing but honesty and sincerity to offer the people. They say that Marcos has killed many people. Well, why is she not killed? Is it sincerity when they denounce the NPA, then have Jose Maria Sison saying that he will help the opposition? Who is Jose Maria Sison? He is the chairman of the Communist Party.

They also play with our territory. What did Nur Misuari, head of the secessionist movement of the Moro National Liberation Front, say? He plans to set up a new Muslim state, independent, with a separate law, separate army, with a separate government, and with a separate economy. It will not recognize the Republic of the Philippines. It will be composed of Palawan, Mindanao, Basilan, Sulu, and Tawitawi, and they want to include Malaysia's Sabah State.

In February 1981, Aquino spoke to Nur Misuari. They deny that there was any meeting. Then an MNLF commander, Commander Nur Khan, testified. He signed an affidavit stating that he was present at the meeting where Ninoy promised that if he was successful and the opposition would win, they would recognize the new Muslim state and grant Palawan, Mindanao, Basilan, Sulu, and Tawitawi to the Muslim secessionists of the MNLF. Were you informed? No. Was I informed in my capacity as president of the Republic of the Philippines? No. Was the Batasan informed. No.

Now they deny it, saying that meeting did not take place. Well, what about the records, sworn statements, affidavits signed by Nur Misuari's men? What about Nur Misuari? He himself made a statement last week in London that they had an agreement with Butz Aquino, the brother of Ninoy Aquino. According to Misuari, the agreement was that if they help the opposition, they will be given a new Muslim state and recognition. They will give them Palawan, Mindanao, Basilan, Sulu, and Tawitawi.

Friends, this is dismemberment of the Republic of the Philippines. That is theft. It can not be said that we gave it to them. Were you asked or consulted if the land may be given? No, not me either. [passage indistinct]

In Indonesia, when the Communists joined the government, they staged an uprising and killed their rival generals and rival cabinet members. There was a civil war. Fortunately, there was President Suharto who was commander of the strategic command. He used the divisions under General [word indistinct]. and Secretary of Defense Nasution. They stopped the Communists and won. However, it was a bloody incident with many casualties. Who figured most in the casualties? Some 700,000 to 1 million people died, and the majority were civilians, because they were unarmed. The Communists, on the other hand, went on a killing rampage, slaying anyone standing in their path. Well, that is what will happen here if they flirt with the Communists, luring them to help them in the elections. What did I see in Pangasinan? The communists occupied our headquarters, my headquarters. See that? THEY OCCUPIED MY HEADQUARTERS IN (?BALBALGUER) AND IN VILLAFUERTE. THEY THREATENED THE PEOPLE: IF YOU VOTE FOR MARCOS-TOLENTINO, WE WILL COME BACK. They tell everybody that. That is their threat. Well, our soldiers took action. They killed 3 NPA's and captured 12 others who testified that they are campaigning for Unido and Laban.

Naturally, they deny it. But one cannot deny it because everyone in the mountains knows. The Communists announced: We are campaigning for Unido and Laban. You must vote for Marcos; opposition. If you vote for Marcos and Tolentino, we will come back for you. That was announced in the public plaza in the towns there.

So do not tell me that the Communists are not helping them. Do not tell me that the opposition has no agreement with the Communists. Do not tell me that Nur Misuari is lying when he spoke to the British reporters, even though his mind is already deteriorating. However, he was not lying when he faced newspapermen. He said that he did not know how to lie about such matters. I may lie to Marcos, for warfare is deceit. Nevertheless, with such agreements, I do not lie. The people of Mindanao need to know about such agreements with Agapito, uh, Aquino.

Friends, this is what we face. I repeat: ONE OF MY FAVORITE PROVINCES BECAUSE OF THE FACT THAT MINDORO HAS ALWAYS BEEN THE PLACE THAT HAS BEEN CONSIDERED OUT OF THE WAY, A CORNER IN THE SOUTHERN TAGALOG REGION THAT IS OFTEN FORGOTTEN BY THE GOVERNMENT. [As heard] When I drew up plans on provinces that need to be assisted, I concluded that Misamis Occidental, Mindoro Oriental, and Mindoro Occidental must be helped. Therefore, I am ready to help you. [applause] [Passage in Ilocano.]

Each and every one of you will be given protection against their evil deeds. My friends, let us not allow them to get their way. Let us not give away the heritage passed on to us from our heroes whose blood runs in your veins. Do not forget them and do not forsake them. Do not let go of your heritage. We will fight back. When you go to the precincts, ask your own conscience: What is in the nation's interests and welfare? What I am going to do, is it in accordance with the wishes and aspirations of the heroes who suffered and sacrificed for the country? That is the question that you must ask yourself when you go to the precinct. Tell everyone that this is the expression of Marcos' confidence in you.

I am here as a small soldier facing you and warning you that I can see danger from afar and can see it fast approaching. I cry: Danger to us all! Danger to the Republic of the Philippines! Ask your conscience for the answer. I know that you will answer it with a vote for Marcos-Tolentino.

I heard that some people have not been given land titles. I order that the interests that have not been paid [words drowned out by applause]. That is already sizable. ~~Not~~ is not all. The amortization has not been paid. I am ordering that [passage indistinct]. I ORDER THAT THIS TITLE WILL NOW BE GIVEN TO ALL THE EMANCIPATED TENTANTS. I order that you distribute the land title to the right people even if they have not paid for amortization of the land [applause]

Friends, I shall be on my way. I repeat that Mindoro Occidental and Oriental are part of the regional development system of the Philippines. What we are talking is 1 billion to 200 billion. [currency not specified] I will make it materialize. [Passage indistinct].

Do not believe the so-called hidden wealth. When it was debated at the Batasan, the opposition were told: If you have evidence of Marcos' hidden wealth in the States, show us and we will help you fight Marcos. They kept quiet because they had no evidence. Only words and accusations. Member of Parliament Teddy Natividad said [passage indistinct]. So what do they face now? Perjury cases. They were charged with lying under oath. All they could do is talk and talk. Do not believe them.

Our government helped the poor and the unfortunate ones. This is the primary policy of the Marcos administration. That is why I say to you: If the Lord permits, we will triumph again. Trust me that the power entrusted to me will be used, um, to lift the poor and the small people like you and me out of misery. I HEREBY ALSO ORDER THE DISTRIBUTION OF 204 [words indistinct] TO THE PEOPLE OF MISAMIS OCCIDENTAL. [Passage indistinct].

I have been wounded five times. Sometimes my leg hurts, and I limp. They laugh at my wounds, those who were never wounded. [Passage indistinct].

Let us shout to them: It is an honor to be wounded for the sake for the country. Take no notice of my limping. You know, I presented an award to Dodie Boy Penabosa, the world flyweight champion in boxing. When I gave him a big trophy, I asked him: You were stricken with polio. Does your left leg hurt whenever you are in a close fight? Oh, yes, he said, it hurts often. So, what do you do? Well, I remind myself that I am the world champion and that I am the champion of 54 million Filipinos. Thus, I must withstand the pain of the leg. Once a champion, act like a champion.

So I said to myself: if he can do it, so will I. Thus, whatever they say, I only laugh, because, you know, [passage indistinct].

Do not forget the blood of the heroes running in your veins. Use our power to divert the danger to our independence, justice, and dignity. Use Marcos-Tolentino as your weapon, for they know how to fight the enemies and restore the country to its glory. Thank you.

Report on Tagbilaran Rally

HK190642 [Editorial report] Quezon City Maharlika Broadcasting System in English at 0305 GMT on 19 January 1986 begins live, in-progress coverage of a speech delivered by Philippine President Marcos to an election rally in Tagbilaran, capital of Bohol Province. Speaking in a mixture of Tagalog and English, Marcos is heard to denounce the "plot" of the opposition to create an independent Muslim state in Mindanao, Palawan, Tawitawi, and Sabah, which he terms "dismemberment" of the Philippines. He asks the crowd if they are willing to "give away" Mindanao, and the crowd shouts: "No."

Marcos says that "some advisers did not want me to come to Bohol, but I told them: I am the president of the Republic of the Philippines, and I must go and warn my [words indistinct] friends in Bohol about this danger that we face, and it is my duty to do so now." Marcos and Tolentino, he says, "are your weapons and your protection," and "we ask you to use your power to vote" for the Marcos-Tolentino team. He says: "We will never allow the dismemberment of the Republic of the Philippines."

The opposition, he goes on, are "flirting with the Communist Party of the Philippines. They have promised that if they win the coming election, they will allow some Communists to enter the cabinet." Marcos goes on to review in detail what happened in Indonesia under President Sukarno, when Communists were taken into the cabinet. As a result, 700,000 to 1 million people were killed in 1965, most of them "civilians like you and me." "That will also happen" if the opposition wins the election and takes Communists into the government. "Now is the time to eliminate this danger that now confronts all of us. We must use our own [word indistinct], and that is why I risk coming here, in order that I may announce [long pause], in order that I may announce to each and every one of you the alternatives [words indistinct]. I therefore ask you to utilize the Marcos-Tolentino team as your weapon against communism. Marcos-Tolentino! Down with communism!"

Marcos goes on to say that there is a story going around about "a false ambush and a false kidnapping." "I cannot believe that people running for such high office can go to the extent of staging a false ambush and a false kidnapping, but that's the story going around Manila, that the opposition is preparing to stage a false ambush and a false kidnapping of Madame Cory Aquino. And I say to them: It will take more than a false ambush and kidnapping to gain the heart of the people, because you have done enough damage to our country and our people. The mere fact that you dare to talk about matters on which you have no knowledge whatsoever, that you dare to run for the presidency when you cannot talk about [words indistinct], you have no program of government."

Marcos goes on to talk about the conviction of Ninoy Aquino for the murder of a barangay captain, discussing the case in detail.

Marcos is heard to say that "there will be bloodshed in the Philippines" if the Communist Party ever gets into the government, "and we cannot allow this." The people must use their powers as voters to prevent this, and "Marcos and Tolentino are your weapons."

Marcos goes on to say that he is an old soldier who suffered various wounds during the war, which is why he has a slight limp. He recalls wartime incidents. He says: "I say, if I were to live my life all over again, I would [words indistinct] offer my life to my country and to my people so that we can recover the freedom of our country."

Marcos goes on to introduce Arturo Tolentino and review his career. He says Tolentino is the man who can take over the presidency "if anything happens to me, and this is why I ask you to vote not only for Marcos but also for Arturo Tolentino." He announces that he is providing extra funds for Bohol right now, "which is my way of saying thank you for all the favors that you have given me."

The broadcast concludes at 0345 GMT. Very poor reception precludes further processing.

FEBC on Rally, Laurel Remarks

HK2000008 Manila Far East Broadcasting Company in English 2300 GMT 19 Jan 86

[Text] The president yesterday reported a plan of the opposition to stage a mock ambush and kidnapping of Corazon Aquino and blame the KBL for it. The president disclosed the opposition plot in addressing yesterday rallies in Taglibaran, Bohol, and Dumaguete, Negros Oriental. The president said the plan is sinister and is intended to gain the sympathy of the people in the coming election.

The president said the plan was disclosed by a family friend in the United States who called up the first lady and asked if Aquino was really ambushed and kidnapped. The caller said the alleged ambush and kidnapping was the talk of the people in their town. The president added that the plan is an indication of the deception the opposition is capable of.

The opposition meanwhile hit back at the administration of President Marcos on the issue of criminality. Vice presidential candidate Salvador Laurel accused the Marcos administration of worsening the peace and order situation when the powers of the mayors over the local police forces were removed. He also accused president Marcos of militarizing the purely peacekeeping functions of the police by placing them under the military. Laurel vowed to restore full control of mayors over the local police units when he and Corazon Aquino win the February election.

Laurel, together with Corazon Aquino, addressed rallies yesterday in Zamboanga and Cotabato. He said the opposition platform embodies the position to shield local police against political harassment. Mrs Aquino in her speeches also lambasted the government for indulging in alleged massive distortion or the opposition stand on issues.

Marcos Issues Orders for Bohol

HK200041 Manila Far East Broadcasting Company in English 2300 GMT 19 Jan 86

[Text] President Marcos has ordered the immediate lowering of electric rates in Bohol in line with the policy of the government to keep energy rates low. He also ordered the Philippine Sugar Marketing Corporation to pay the money owed to sugar producers, and ordered a probe into the reported anomalies in the Land Transportation Commission in the province. He also ordered more military reinforcements to Bohol to beef up military operations there.

MARCOS PLANE IN NEAR MISS; HEALTH STILL AT ISSUE

NC181150 Paris AFP in English 1134 GMT 18 Jan 86

[Text] San Jose, Philippines, Jan 18 (AFP) -- A plane carrying President Ferdinand Marcos today had a near-collision with another Air Force plane as it tried to land at an airstrip in Calapan town near here, eyewitnesses said.

The president's plane was coming into land along the grassy airstrip when the second plane landed, newsmen said. The two planes were about half a kilometer (about 530 yards) apart, a civilian pilot on the ground told AGENCE FRANCE-PRESSE. Navy Chief Commodore Brillante Ochoco immediately rushed to the center of the airstrip and waved the Air Force plane away to enable the president's aircraft to land. There is no control tower at the small airstrip, 240 kilometers (144 miles) south of Manila, but planes intending to land were required to circle around the airfield twice, the pilot said.

Mr. Marcos immediately proceeded to a central park here where he campaigned for the February 7 presidential election before some 4,000 people. Both his palms were peppered with plastic strips, and the left was wrapped in an elastic bandage when he alighted from a car which took him to the stage, eyewitnesses said. Mr. Marcos said: "In Pangasinan, the people love me (so) very much that they scratched my two hands."

Some reporters covering Mr. Marcos's campaign in Pangasinan province Thursday in northern Philippines said a plastic strip on the back of the president's left palm peeled off and blood trickled out, requiring treatment from medical aides. Deputy Information Minister Gualberto Lumaig yesterday said however it was not true that the 68-year-old president, rumoured to have a kidney ailment that requires dialysis, was ill.

Denies Health Deteriorating

NC191214 Paris AFP in English 1200 GMT 19 Jan 86

[Text] Manila, Jan 19 (AFP) -- President Ferdinand Marcos today denied he was ill or dying, blaming colds and old war wounds for his physical difficulties in campaigning for the presidential elections next month. "They told you when the opposition came here that Marcos will not come because he is sick, because he will die in six months. They've said that since 1983," the 68-year-old president told a rally in the coastal city of Dumaguete, monitored here.

The bemedalled anti-Japanese World War II guerrilla attributed his physical difficulties to five wounds he sustained during the conflict and a cold he caught recently while attending an outdoor ceremony in rainy weather. He denied reports that he had collapsed during a rally in the northern province of Pangasinan on Thursday, although he said his army had bled because people had scratched him in their enthusiasm to shake his hand. Witnesses said Mr. Marcos was visibly tired, having difficulty in breathing and appeared to be in pain as bodyguards carried him up a stage in Pangasinan.

U.S. press reports quoting intelligence sources in Washington have said Mr. Marcos is suffering from systemic lupus erythematosus, a disease that attacks vital organs, and may have only six months to live. He has long been rumored to have a kidney ailment that requires dialysis.

Mr. Marcos also repeated his accusation today that his rival Corazon Aquino and her assassinated husband Benigno Aquino had links with the New People's Army (NPA), guerrilla force of the banned Communist Party of the Philippines (CPP). He said their bungalow in a residential enclave in Quezon City adjacent to Manila was once an NPA "headquarters," but did not elaborate.

He also quoted what he called widespread rumors in Manila that Mrs. Aquino might figure in a faked ambush or kidnap to gain public sympathy before the election.

MARCOS REFUSES TO SET VER'S RETIREMENT DATE

HK210915 Hong Kong AFP in English 0903 GMT 21 Jan 86

[Text] Manila, Jan 21 (AFP) -- President Ferdinand Marcos today refused to set a date for the retirement of Armed Forces Chief General Fabian Ver, saying that there was nobody capable of replacing him at the moment.

"You just don't retire a chief of staff whose leave of absence for one year has caused difficulties for the Armed Forces," Mr. Marcos told businessmen at a forum here.

The president appeared at the forum without the bandages on his hands which have been noted in recent days, walked onto the platform unaided, and spoke and answered questions for about one and a half hours, reporters at the scene said.

Mr. Marcos had earlier said that Gen. Ver "would probably" retire before a February 7 presidential election. Gen. Ver, 66, went on leave after being charged in connection with the 1983 murder of Mr. Marcos' chief political opponent Benigno Aquino, but returned to his post after being acquitted with 25 others in December of conspiracy to the murder. Mr Aquino was the husband of opposition presidential candidate Corazon Aquino. Mr. Marcos has been under pressure from Washington to retire the Armed Forces chief.

The president said that Gen. Ver's deputy, Lieutenant General Fidel Ramos, "would have been a possible replacement" but he had been accused of involvement in the killing of at least 21 anti-government protesters in the central Philippine town of Escalante in September.

In a speech focussing on the government's economic programme if Mr. Marcos wins the election, Mr Marcos drew applause from the crowd estimated at about 1,000 by independent observers when he pledged not to increase taxes. "I categorically pledge now that there will be no new taxes in the event of a new mandate of our administration," the president said. "I will oppose new proposals for taxes, but I will press for better collection of existing taxes."

He also denied in answer to a question that the economic crisis which the Philippines has experienced since late 1983 was essentially the result of a lack of confidence in and the credibility of his administration. "The question is based on the wrong premise," he said. He said during his speech that the economic crisis was caused mainly by external factors beyond government control and to a certain extent the murder of Mr. Aquino, but that the economy had "bounced back with vigor from its trials" and was "on the road to recovery."

He also repeated allegations that the opposition had promised independence to the Moslem minority in the southern Philippines, a charge denied by the opposition.

Asked about his allegations that Mrs. Aquino had communist links, he said: "I didn't say that Cory (Aquino) is a communist, what I said was she wants the best of both worlds," because she wanted the support of the communists. The opposition that it has communist links.

Editorial Urges Ver's Retention

HK201512 Manila TIMES JOURNAL in English 20 Jan 86 p 6

[Editorial: "Military Needs Strong Leadership"]

[Text] Today being the birthday of Gen Fabian C. Ver, people will be keenly awaiting his decision on whether or not to retire as armed forces chief of staff. The general knows this, too, we are sure, because of the president's announcement last week that his chief of staff "will probably retire" before the Feb 7 election.

The general, we are also sure, is aware that his retirement has become more imminent because of certain developments, most notable of which has been the stream of statements from American public officials that they would want to see him retired before the election. This is probably why upon his resumption of office 49 days ago following his acquittal in the Aquino-Galman double murder case, he immediately embarked on a renewed drive to revitalize and reorganize the armed forces to make them a more effective weapon against insurgency. Only recently, he ordered Scout Ranger training for all soldiers before they are assigned to the field to better prepare them for their difficult task. It will be recalled that the Scout Rangers performed an important role in the anti-dissident campaign of the 1950s and this new policy will, therefore, have far-reaching implications for the professional development of the Filipino soldiers and the aggressive pursuit of the counter-insurgency drive.

Prior to all these, General Ver also effected other substantive changes in the armed forces. He established the Regional Unified Commands to make full use of the scarce military resources and dovetail integrated military activities with the government's development program at the regional level. He launched a program to sustain the good-will of the people, dissolved ineffective units, abolished unnecessary headquarters, adopted a promotion system based more on merit than mere seniority, boosted the morale, discipline and welfare of the rank and file by such measures as attending to their needs for housing and for increased benefits, including those of pensioners; effected a turnaround of the AFP [Armed Forces of the Philippines] Commissary and Exchange Service from a losing business concern to a viable enterprise, and improved the performance of the armed forces' financial institutions, to name a few of his accomplishments.

The general instituted these changes, we are sure, because of his awareness of the military's crucial role in the defense of the country. After all, he has been a soldier all his life. He is the only enlisted man ever to ascend to the highest military post of the land. He is seasoned in combat, during the last world war and during the anti-Huk campaign in the 1950s when he led his detachment to repel a superior enemy force and thus saved Montalban and Metro Manila from possible communist occupation.

With the current threats posed by communist and secessionist rebels, the nation's armed forces still need the mature leadership of a man like General Ver. This should be the main consideration in any decision on the general's case.

COLUMNIST CRITICIZES MOVE TO OUST U.S. ENVOY

HK171500 Manila PHILIPPINES DAILY EXPRESS in English 17 Jan 86 p 4

["Over a Cup of Coffee" Column by Teodoro F. Valencia: "Here Come the 'Watchers'"]

[Excerpt] U.S. Forms Election Watchers -- headline. Warships, More Marines Arriving, Big Group to Stay till Tally is Over -- more headlines. This looks like war, not "friendly" intervention at all. Why don't they just occupy the country and do what they want instead of making it appear that we are doing things because we want them?

The Congress, the White House, the CIA and do-gooders will be included in the big American delegation to watch us do as we are told. At least, the United States government is honest. With the "governor general" orchestrating everything, Filipinos should follow their cues and do as directed. Then, Asia will see the first "free" election with all hands visible. More aircraft carriers will be in the Subic area than those going to Libyan waters. In this game of equals, the one with the battleships is more equal.

MP Blas Ople and Speaker Yniguez should not even consider investigating Ambassador Stephen Bosworth for whatever he has been saying about the coming elections. Ambassador Bosworth, like any other ambassador, merely does what he's asked to do. If he did not do as told, he could lose his job. That's something I would not wish my good friend to suffer. He is doing all right by the United States -- that makes him a good ambassador. He's not supposed to please Mr Ople or even Mr Marcos.

Now, it is official -- no Marcos-Aquino debate. The speaker, who is the campaign manager of the KBL said so. Both sides are relieved.

So many opposition pundits and political lieutenants agree at least on one thing -- that the KBL is lucky to have Butz Aquino on the opposition side.

The Comelec should stop flattering the publicity seekers who pose as the god-sent to give us a clean and credible election. Credible to their patrons?

Doing away with the required four ID photos in registering new voters will encourage "flying voters" and substitute voters. The law is not for amendment even by the Comelec. Only the supreme Court can declare laws inoperative.

Ex-Sen. Jovito Salonga should try something original or new. That charge about the Comelec printing duplicate ballots is as old as the man who invented elections. That's an American trick we revive every election. I mean the charge, not the duplicate ballots.

I hate to be a kill-joy but from experience all these serious earth-shaking issues that are being raked up by the politicians will be cold fish starting Feb. 8. Very serious matters that are creating near-war will be laughing matters by then. It happens every election. Don't take things too seriously or you may be the only victim of this joke.

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